

KENANGA SHARIAH ONEPRS MODERATE FUND

SEMI-ANNUAL REPORT

For the Financial Period from 1 June 2023 to 30 November 2023

kenanga

Kenanga Investors Berhad
Company No. 199501024358 (353563-P)

KENANGA SHARIAH ONEPRS MODERATE FUND

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CORPORATE DIRECTORY

Private Retirement Scheme (PRS) Provider: Kenanga Investors Berhad

Company No. 199501024358 (353563-P)

Registered Office

Level 17, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur, Malaysia.
Tel: 03-2172 2888
Fax: 03-2172 2999

Business Office

Level 14, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur, Malaysia.
Tel: 03-2172 3000
Fax: 03-2172 3080
E-mail: investorservices@kenanga.com.my
Website: www.kenangainvestors.com.my

Board of Directors

Choy Khai Choon (**Chairman, Non-Independent Non-Executive Director**)
Imran Devindran Abdullah (**Independent Non-Executive Director**)
Norazian Ahmad Tajuddin (**Independent Non-Executive Director**)
Luk Wai Hong, William (**Non-Independent Non-Executive Director**)
Norazilla Binti Md Tahir (**Independent Non-Executive Director**)
Datuk Wira Ismitz Matthew De Alwis (**Chief Executive Officer, Executive Director**)

Investment Committee

Imran Devindran Abdullah (**Independent Member**)
Norazian Ahmad Tajuddin (**Independent Member**)
Norazilla Binti Md Tahir (**Independent Member**)
Luk Wai Hong, William (**Non-Independent Member**)
Datuk Wira Ismitz Matthew De Alwis (**Non-Independent Member**)

Company Secretary: Norliza Abd Samad (MAICSA 7011089)

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.

Trustee: CIMB Islamic Trustee Berhad Company No. 198801000556 (167913-M)

Registered Office

Level 13, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur.
Tel: 03-2261 8888
Fax: 03-2261 0099
Website: www.cimb.com

Business Office

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50470 Kuala Lumpur.
Tel: 03-2261 8888
Fax: 03-2261 9894

Shariah Adviser: Kenanga Investment Bank Berhad Company No. 197301002193 (15678-H)

Registered Office

Level 17, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur, Malaysia.
Tel: 03-2172 2888
Fax: 03-2172 2999

Business Office

Level 16, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur, Malaysia.
Tel: 03-2172 2727
Fax: 03-2172 2897
Website: www.kenanga.com.my

Auditor: Ernst & Young PLT Company No. 202006000003 (LLP0022760-LCA) & AF 0039

Level 23A, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur.
Tel: 03-7495 8000 Fax: 03-2095 5332

Tax Adviser: Ernst & Young Tax Consultants Sdn Bhd Company No. 198901002487 (179793-K)

Level 23A, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur.
Tel: 03-7495 8000 Fax: 03-2095 5332

Administrator: Private Pension Administrator Malaysia (PPA)

Level 13A, Bangunan Tierra Crest, Jalan SS 6/3, 47301 Petaling Jaya, Selangor.
Tel: 1300 131 772 Website: www.ppa.my Email: askppa@ppa.my

Membership: Federation of Investment Managers Malaysia (FIMM)

19-06-1, 6th Floor, Wisma Tune, 19, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur.
Tel: 03-2093 2600 Fax: 03-2093 2700 Website: www.fimm.com.my

DIRECTORY OF PRS PROVIDER'S OFFICES

Regional Branch Offices:

Kuala Lumpur

Level 13, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-2172 3123
Fax: 03-2172 3133

Melaka

No. 43, Jalan KSB 11
Taman Kota Syahbandar
75200 Melaka
Tel No. 06-240 2310
Fax No. 06-240 2287

Klang

No. 12, Jalan Batai Laut 3
Taman Intan
41300 Klang, Selangor
Tel: 03-3341 8818 / 03-3348 7889
Fax: 03-3341 8816

Penang

5.04, 5th Floor
Menara Boustead Penang
No. 39, Jalan Sultan Ahmad Shah
10050 Penang
Tel : 04-210 6628
Fax : 04-210 6644

Miri

2nd Floor, Lot 1264
Centre Point Commercial Centre
Jalan Melayu
98000 Miri, Sarawak
Tel: 085-416 866
Fax: 085-322 340

Seremban

2nd Floor, No. 1D-2
Jalan Tuanku Munawir
70000 Seremban
Negeri Sembilan
Tel: 06-761 5678
Fax: 06-761 2242

Johor Bahru

No. 63
Jalan Molek 3/1, Taman Molek
81100 Johor Bahru, Johor
Tel: 07-288 1683
Fax: 07-288 1693

Kuching

1st Floor, No 71
Lot 10900, Jalan Tun Jugah
93350 Kuching, Sarawak
Tel: 082-572 228
Fax: 082-572 229

Kuantan

Ground Floor Shop
No. B8, Jalan Tun Ismail 1
25000 Kuantan, Pahang
Tel : 09-514 3688
Fax : 09-514 3838

Ipoh

No. 1, Jalan Leong Sin Nam
30300 Ipoh, Perak
Tel: 05-254 7573 / 7570
Fax: 05-254 7606

Kota Kinabalu

Level 8, Wisma Great Eastern
No. 68, Jalan Gaya
88000 Kota Kinabalu, Sabah
Tel: 088-203 063
Fax: 088-203 062

Damansara Uptown

44B, Jalan SS21/35
Damansara Utama
47400 Petaling Jaya, Selangor
Tel: 03-7710 8828
Fax: 03-7710 8830

Kota Damansara

C26-1, Dataran Sunway
Jalan PJU 5/17
Kota Damansara
47510 Petaling Jaya, Selangor
Tel: 03-6150 3612
Fax: 03-6150 3906

Kluang

No. 1, Aras 1, Jalan Haji Manan
Pusat Perniagaan Komersial Haji Manan
86000 Kluang, Johor
Tel: 07-710 2700
Fax: 07-710 2150

1. FUND INFORMATION

1.1 Fund Name

Kenanga Shariah OnePRS Moderate Fund (**PKSOMF** or **the Fund**)

1.2 Fund Category / Type

Core (Moderate)

1.3 Investment Objective

The Fund aims to provide income[^] and capital growth over the long-term through investments in Shariah-compliant equities and sukuk.

[^] Income distribution (if any) will be reinvested into the Fund.

1.4 Investment Strategy

The Fund seeks to achieve its objective by investing in local and/or foreign diversified portfolio of Shariah-compliant equities, sukuk and Islamic money market instruments. A maximum of 60% of the Fund's NAV will be invested in Shariah-compliant equities and at least 40% of the Fund's NAV in sukuk and Islamic money market instruments. The Fund may also invest in Islamic collective investment schemes as permitted under the Deed and Guidelines.

1.5 Performance Benchmark

A composite of FBM EMAS Shariah Index (60%) and Maybank 1-Month GIA rate (40%).

1.6 Distribution Policy

Distribution (if any) will be declared annually and reinvested into the Fund.

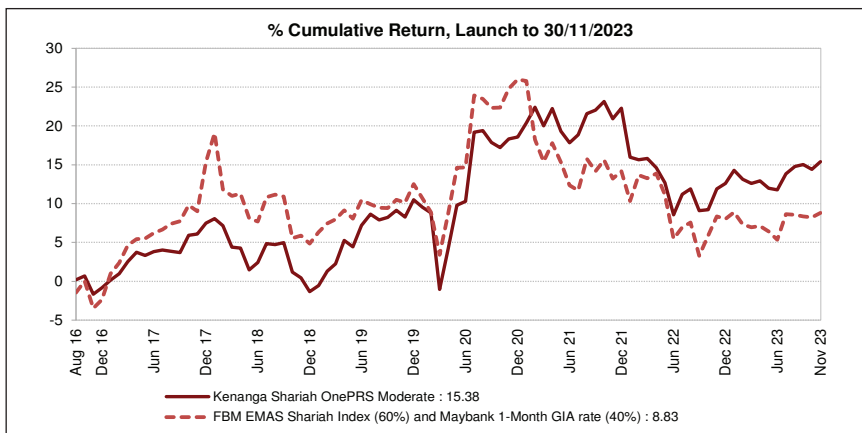
2. PRS PROVIDER'S REPORT

2.1 Explanation on whether the Fund has achieved its investment objective

During the financial period under review, the Fund fulfilled its investment objective, having invested in a diversified portfolio of Shariah-compliant equities and sukuk. The Fund invested in Shariah-compliant equities, which do not exceed its maximum limit of 60% of Fund's Net Asset Value (NAV). Meanwhile, the investment in sukuk and Islamic money market instruments was at least 40% of the Fund's NAV.

2.2 Comparison between the Fund's performance and performance of the benchmark

**Performance Chart Since Launch (18/08/2016 - 30/11/2023)
Kenanga Shariah OnePRS Moderate Fund vs Benchmark***



* A composite of FBM EMAS Shariah Index (60%) and Maybank 1-Month GIA rate (40%)
Source: Novagni Analytics & Advisory

2.3 Investment strategies and policies employed during the financial period under review

Since the size of the Fund is below RM200 million, it is currently invested in Islamic collective investment schemes (CIS) managed by the PRS Provider which is in line with the Fund's asset allocation.

As at 30 November 2023, the Fund had invested 57.0% of its NAV in Kenanga Syariah Growth Fund (KSGF) and 41.0% in Kenanga Bon Islam Fund (KBIF). KSGF is an equity fund which aims to provide investors with long-term capital growth by investing principally in equities that comply with Shariah requirements. Meanwhile, KBIF is a fixed income fund with an objective to provide investors with a regular income stream through investments in sukuk and Islamic money market instruments.

2.4 The Fund's asset allocation as at 30 November 2023 and comparison with the previous financial period

| Asset | 30 Nov 2023 | 30 Nov 2022 |
|--|-------------|-------------|
| Unlisted Shariah-compliant collective investment schemes | 98.1% | 98.0% |
| Cash | 1.9% | 2.0% |

Reason for the differences in asset allocation

Asset allocation into Shariah-compliant CIS increased slightly to 98.1% as at end-November 2023 due to appreciation in value of the investments during the financial period under review.

2.5 Fund performance analysis based on NAV per unit (adjusted for income distribution; if any) since last review period

| | Period under review |
|--|---------------------|
| PKSOMF | 3.04% |
| A composite of FBM EMAS Shariah Index (60%) and Maybank 1-Month GIA rate (40%) | 3.14% |

Source: Lipper

For the financial period under review, the Fund marginally underperformed its benchmark. The Fund's return was derived from its holdings in Shariah-compliant equities, sukuk and short term Islamic deposit placements.

2.6 Review of the market

Equity market review

US equities surged in June 2023, with the S&P 500 gaining 6.5%, its best month since October while the Nasdaq advanced 6.6%. Both indexes notched a fourth consecutive positive month. The Dow Jones climbed 4.6%, its best month since November. This advance came amid moderating inflation and signs that the US economy remains resilient despite higher interest rates. May's inflation dropped to 4.05%, a two-year low. Core inflation dipped slightly, while Consumer Price Index (CPI) saw a marginal month-on-month (MoM) increase. The Federal Reserve (Fed) kept rates unchanged at 5.25% in its June 14th meeting, the first meeting without a rate hike in 11 meetings. Locally, Malaysian equities struggled, with the FBM KLCI, FBM 100, and FBM Shariah posting MoM declines of 0.8%, 1.1%, and 1.8% respectively, except for FBM Small Cap, which rose by 0.1% MoM. Year-to-date (YTD), the FBM KLCI dropped by 7.9% due to foreign selling, driven by concerns over the global economy's slowdown, political uncertainties surrounding the six-state elections, and Ringgit weakness. In June, the government made an announcement to cut the stamp duty rate from 0.15% to 0.10% to enhance competitiveness in the Malaysian stock market.

2.6 Review of the market (contd.)

Equity market review (contd.)

In July 2023, global equity markets rose due to positive signs of slowing inflation in several economies, the expectation that policy rates were near their peak, optimism for a soft landing in the US, and continued interest in artificial intelligence (AI). Contrary to previous months, emerging markets outperformed developed markets. US Dow Jones, S&P 500, and Nasdaq gained 3.4%, 3.1%, and 4.1% MoM, respectively. US CPI moderated to 3% year-on-year (YoY) in June. Core CPI (excluding food and energy) posted at 4.8%, its lowest since October 2021. As expected, the Fed raised interest rates by 25 basis points (bps) at the July Federal Open Market Committee (FOMC) meeting to 5.25-5.50%, the highest level in 22 years, resuming its tightening campaign after a pause in June. The Fed emphasized data dependence for its September decision. Meanwhile, US Gross Domestic Product (GDP) grew faster than expected by an annualised 2.4% quarter-on-quarter (QoQ) (1Q2023: 2% QoQ), underpinned mainly by the sustained rise in private consumption and improved investment activities.

Global equity markets retraced in August with US S&P 500, Nasdaq and Dow Jones were down 1.8%, 2.2% and 2.4% MoM. US CPI rose 3.2% YoY in July which was slightly below expectations while core CPI was up by 4.7% YoY which was in line with estimates. Fitch Ratings downgraded US debt rating from the highest AAA rating to AA+, citing “a steady deterioration in standards of governance”. Moody’s also downgraded several small to mid-sized US banks and warned of possible cuts to others. Job openings fell to the lowest since March 2021 as labor market softens. Chinese equities were sharply lower on weaker economy activities including retail sales, industrial output and investment which came below expectations. Locally, FBM KLCI and FBM Shariah recorded MoM losses of 0.5% and 0.3% while FBM100 and FBM Small Cap recorded MoM gains of 0.2% and 3.1% respectively. On a YTD basis, FBM KLCI, FBM Shariah and FBM100 declined by 2.9%, 0.2% and 0.1% while FBM Small Cap gained 7.7%. The six state elections concluded on 12 August with status quo being broadly maintained. Unity Government retained control in Penang, Selangor and Negeri Sembilan but Perikatan Nasional (PN) made inroads into these three states while Kedah, Terengganu, and Kelantan stayed with the opposition PN bloc. Malaysia’s GDP growth slowed to 2.9% YoY in 2Q2023 (5.6% in 1Q2023), below market expectations of 3.3% YoY weighed mainly by slower external demand.

Global equity markets retraced in September with notable declines in the US indices: the S&P 500, Nasdaq, and Dow Jones registered drops of 4.9%, 5.1%, and 3.5% MoM, respectively. This market correction followed the FOMC decision and the moderate rise in US inflation, which led investors to assess the implications of these developments. The focal point was the Fed’s decision to maintain the Fed Funds Rate (FFR) target range at 5.25% to 5.5%. The accompanying dot plot indicated an expectation of one more interest rate hike within the current year. This outlook was underpinned by factors such as robust economic growth, a tight job market, and persistently high inflation. Locally, Malaysian equity indices recorded mixed results in September. FBM KLCI, FBM Shariah, and FBM100 experienced MoM losses of 1.9%, 0.4%, and 1.6%, respectively, while FBM Small Cap posted MoM gains of 0.7%. On a YTD basis, FBM KLCI, FBM Shariah, and FBM100 declined by 4.8%, 0.6%, and 1.7%, respectively, while FBM Small Cap gained 8.5%. Bank Negara Malaysia (BNM) maintained the Overnight Policy Rate (OPR) at 3.0% in its September policy meeting. The Monetary Policy Committee (MPC) statement indicated a shift away from a “slightly accommodative” stance and removed references to “financial imbalances”, signaling an extended pause in OPR. The MPC assessed risks to both growth and inflation outlooks as roughly balanced, with potential upside risks to inflation dependent on global commodity prices and domestic policy decisions.

2.6 Review of the market (contd.)

Equity market review (contd.)

In October 2023, global equities (MSCI World), experienced a 3.0% MoM decline, primarily driven by significant drops in key US indices, the S&P 500, Nasdaq and Dow Jones fell by 2.2%, 2.1%, and 1.4% MoM, respectively. This decline was exacerbated by escalating geopolitical tensions. Notably, all three indexes recorded their third consecutive negative month, marking the first three-month losing streak for the Dow and S&P 500 since 2020. The market downturn was also attributed to concerns that US policymakers might maintain high interest rates to curb inflation, potentially hampering economic growth. As expected, the FOMC meeting on 31 October to 1 November 2023 ended with the Fed staying on pause mode. The last change in the target FFR range was a 25bps hike to a 22-year high of 5.25%-5.50% at the 25-26 July 2023 FOMC meeting. Locally, Malaysian equity indices recorded mixed results in October. FBM KLCI, and FBM100 experienced MoM gains of 1.3% and 0.7%, respectively, while FBM Shariah and FBM Small Cap posted MoM losses of 0.3% and 2.0% respectively. On a YTD basis, FBM KLCI, FBM Shariah, and FBM100 declined by 3.6%, 0.9%, and 1.0%, respectively, while FBM Small Cap gained 6.3%. After three sequential months of net buy, foreign flows turned negative on Malaysian equities in October 2023 with a RM2.18 billion net sell (Sep: RM674 million). This lifted the foreign net sell for 10 months of 2023 to RM4.15 billion, reversing out almost the entire inflow of RM4.4 billion in 2022. Malaysia's 2024 Budget was tabled in Parliament on 13 October and overall there was no major surprise. The budget focuses on taking reform measures towards fiscal consolidation, which is positive to the economy in the medium to longer term: a) cut fiscal deficit to 4.3%; b) increase revenue by raising service tax to 8%, introduce capital gain tax on unlisted shares and luxury tax; and c) targeted subsidy rationalisation.

In November 2023, global equities (MSCI World), rose 9.2% MoM, as major stock indexes experienced gains, with the S&P 500, Nasdaq, and Dow Jones rising by 8.9%, 10.7%, and 8.8% MoM, respectively. Notably, growth stocks, especially within the technology sector, outperformed their value counterparts on a global scale. The market was encouraged by the release of the US CPI for October, which turned out to be milder than anticipated. Both headline and core inflation moderated to 3.2% YoY and 4.0% YoY respectively. Meanwhile, the November 2023 FOMC meeting emphasized the Fed's commitment to maintaining policy rates at elevated levels for an extended period. Locally, Malaysian equity indices recorded positive results in November; FBM KLCI, FBM100, FBM Shariah and FBM Small Cap experienced MoM gains of 0.7%, 0.8%, 0.8% and 1.6% respectively. On a YTD basis, FBM KLCI, FBM Shariah, and FBM100 declined by 2.9%, 0.1%, and 0.2%, respectively, while FBM Small Cap gained 8.0%. BNM maintained the OPR at 3.0% in its November policy meeting, balancing both economic growth and inflation. Globally, challenges include persistent inflation, rising interest rates, geopolitical uncertainties, and tighter financial conditions. The MPC also addresses the performance of Malaysian Ringgit (MYR), which is affected by the anticipation of elevated US interest rates and geopolitical tensions that strengthen the US Dollar. BNM indicates that it will manage the risks associated with heightened volatility and suggests that the OPR may not be the primary tool to tackle the depreciation of MYR. Instead, they may employ measures like intervening in the foreign exchange market and monitoring the increase in the 3M KLIBOR to stabilize the currency.

2.6 Review of the market (contd.)

Fixed income market review

In June, US Treasuries (UST) yields remained elevated on the back of stronger economic data, coupled with unexpected policy rate hikes by the Bank of Canada (BOC) and the Bank of England (BOE). Conversely, the Fed kept its policy rate unchanged at 5.00%-5.25% on 15th June. The Fed's economic projections were upgraded, with growth for 2023 revised higher from 0.4% to 1.0%, and the dot-plot signalling 2 more rate hikes in 2H2023. Overall, the UST yield curve shifted higher across the board during the month with the 2Y UST surging by 50bps to 4.90% and the 10Y UST climbing 20bps to 3.84%.

Locally, the Malaysian Government Securities (MGS) market loosely tracked the UST yield movements in June. On 27 June, S&P reaffirmed Malaysia's long-term sovereign rating of A- with a stable outlook, premised on better domestic growth prospects and its commitment to fiscal consolidation. Overall, the MGS yield curve steepened slightly, with the 3Y yield increasing by 9bps to 3.49% and the 10Y yield 15bps higher at 3.86% as at end-June.

In July, UST fluctuated amid mixed sentiment among market participants. The US labour market remained robust while US 2Q2023 GDP growth accelerated to 2.4% QoQ (1Q2023: 2.0%). The Fed delivered its 11th rate hike, raising interest rates by 25bps to 5.25%-5.50% on 27 July (highest level since January 2001). UST traded weaker in August on mixed economic data amid uncertainty over the interest rate outlook. On 1 August, Fitch Ratings downgraded the US' sovereign credit ratings from AAA to AA+ (outlook revised from negative to stable). The higher headline inflation data led the 2Y UST yield to rise above 5% while the 10Y UST yield climbed to 4.34% on 21 August (highest since 2007). Demand for UST improved towards month end, following a contraction in Eurozone business activity coupled with softer US Manufacturing and Services data. In September, UST weakened following the latest dot-plot projections on fewer rate cuts in 2024 and surge in crude oil prices, fueling inflationary concerns. On 20 September, the Fed opted to keep its policy rate steady at 5.25%-5.50%. Towards month-end, investors remained cautious over the potential US government shutdown, with 10Y UST yields continuing to edge higher. On a QoQ basis, the 10Y UST yield climbed 73bps to 4.57%, while the 2Y UST yield rose by 14bps to 5.04%, reducing the yield curve inversion to -47bps (end-June: -106bps).

On the local front, the MGS market was relatively stable in July with the 3Y MGS unchanged at 3.49% while the 10Y MGS ended the month 3bps lower at 3.83%. Market sentiment was supported by the strengthening of the MYR as well as BNM decision to maintain the OPR at 3.00% with indication of no further rate hikes for the rest of the year. In August, MGS market was relatively insulated from UST weakness. The MGS market loosely tracked UST movements in September, albeit on a smaller scale given the divergence in interest rate outlook and BNM's decision to maintain the OPR at 3.00% on 7 September. Overall, the MGS yield curve shifted higher in 3Q2023, with the 3Y MGS yield adding 8bps QoQ to 3.57% while the 10Y MGS yield rose 12bps to 3.98%.

Moving into October, UST extended weakness as yields surged following a slew of favourable economic data releases, coupled with hawkish remarks from Fed Chairman, Jerome Powell that strengthened the higher for longer interest rate environment given the resilient US economy and continued tight labour market. The UST yield curve bear steepened during the month which sent the 10Y UST yield rising above 5.00% intraday on 23 October (highest since 2007), before easing to 4.93% (36bps MoM), while the 2Y UST closed 5bps higher MoM to 5.09%.

2.6 Review of the market (contd.)

Fixed income market review (contd.)

Locally, the MGS market trended in line with UST yield movements in October, but at a smaller quantum. Market sentiment was further dampened by the weakening of MYR to its lowest level since the 1998 Asian Financial crisis as well as increased bond supply concerns in 4Q2023 following the tabling of Budget 2024 on 13 October. Overall, the MGS yield curve bear steepened slightly, with the 3Y MGS yield rising by 8bps to 3.65% while the 10Y MGS yield closing 12bps higher at 4.10%.

In November, UST rebounded strongly from the weak performance in previous months, as softer economic data boosted expectations for lower interest rates next year. On 1 November, the Fed maintained interest rates at 5.25%-5.50%, while noting that tight financial and credit conditions are likely to weigh on economic activity, hiring and inflation. During the month, the 2Y and 10Y UST yield plunged by 41bps and 60bps MoM to 4.68% and 4.33% respectively.

Similarly, MGS posted a strong performance in November, as positive sentiment in UST spilled over into the local bond market. The 10Y MGS yield tumbled by 29bps from 4.10% at end-October to 3.81% at end-November. Meanwhile, the 3Y MGS yield fell by 19bps MoM to 3.47%. On the monetary policy front, BNM kept the OPR unchanged at 3.00% at its final MPC meeting on 2 November, given the balanced outlook for domestic growth and inflation. In 3Q2023, Malaysia's economy expanded by 3.3% YoY (2Q2023: 5.6%), driven by higher domestic private consumption. YTD, real GDP growth for the first nine months of 2023 averaged 3.9% (versus FY2023 official forecast: 4.0%). In October 2023, headline CPI eased further to 1.8% YoY (September 2023: 1.9% YoY; 10M2023: 2.7% YoY), partly due to a slower rise in food prices.

Equity market outlook

Markets could remain volatile given concerns of growth slowdown in major regions such as the US, Europe and China. Nonetheless, anticipation of rate cuts and monetary easing could provide some support for global equities.

We maintain our positive outlook on the domestic equity market, as the cloud of political uncertainties has dissipated. Investors are currently anticipating the implementation of government policies and the commencement of infrastructure projects. While currency weakness could negatively impact companies with imported raw materials, exporters should benefit from higher earnings in MYR terms

Fixed income market outlook

The US economy has begun to show signs of moderation, as restrictive interest rates dampen consumer spending and economic activities. As the Fed rate hike cycle approaches its peak, market participants are looking ahead towards potential rate cuts should the inflation outlook continue to improve. Nonetheless, the Fed continues to advocate a restrictive policy stance until inflation eases sustainably towards its 2% target. Thus, UST yields could still fluctuate over the near term as investors monitor evolving macroeconomic and geopolitical developments.

Locally, inflation is expected to remain modest going into 2024, subject to global commodity prices and changes in domestic subsidies and price controls. Meanwhile, the domestic economy is projected to grow at 4.0%-5.0% in 2024, underpinned by resilient domestic demand. BNM is likely to keep interest rates steady next year, to support economic growth amid external uncertainties. Looking ahead, the local bond market is expected to remain supported given ample market liquidity, although subject to fluctuations from global bond market movements.

2.6 Review of the market (contd.)

Fund strategy

On the equities front, we adopt a slightly higher exposure to equities in light of our positive view on the domestic market. Sector wise, we prefer beneficiaries of recent government stimulus policies such as new energy, utilities, construction, property and manufacturing. We adopt a buy on weakness stance for the technology sector as the key beneficiary of long-term growth trends such as AI, Electric Vehicles (EVs) and supply chain relocation.

For fixed income, we continue our investment strategy of investing in liquid, highly sought-after sukuk, to enable swift reaction to changes in market sentiment or outlook. Our focus will continue to be on healthy credits, stable long-term cashflows, solid financial metrics and good corporate governance. We overweight on corporate sukuk for their enhanced yield relative to lower-yielding government sukuk.

2.7 Distributions

For the financial period under review, the Fund did not declare any income distribution.

2.8 Details of any unit split exercise

The Fund did not carry out any unit split exercise during the financial period under review.

2.9 Significant changes in the state of affairs of the Fund during the financial period

There were significant changes in the state of affairs of the Fund during the financial period and members have been notified via a letter dated 11 August 2023. Please refer to the Appendix I of this report for the list of amendments to the Fund in respect of the First Supplemental Disclosure Document.

The First Supplemental Disclosure Document was issued on 29 September 2023. The changes were effective on 31 August 2023.

2.10 Circumstances that materially affect any interests of the members

There were no circumstances that materially affected any interests of the members during the financial period under review.

2.11 Rebates and soft commissions

It is the policy of the PRS Provider to credit any rebates received into the account of the Fund. Any soft commissions received by the investment manager on behalf of the Fund are in the form of research and advisory services that assist in the decision making process relating to the investment of the Fund which are of demonstrable benefit to the members of the Fund. Any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund. As the Fund is only invested in unlisted Islamic collective investment schemes, the PRS Provider did not receive any rebates or soft commissions from its stockbrokers during the financial period under review.

2.12 Cross-trade

During the financial period under review, no cross-trade transactions were undertaken by the PRS Provider for the Fund.

2.13 Securities financing transactions

Securities financing transactions are transactions consisting of securities financing or repurchase. During the financial period under review, the Fund had not undertaken any securities financing transactions.

3. FUND PERFORMANCE

3.1 Details of portfolio composition of the Fund as at 30 November 2023 against the last three financial years as at 31 May are as follows:

a. Distribution among industry sectors and category of Shariah-compliant investments:

| | As at 30.11.2023 % | FY 2023 % | FY 2022 % | FY 2021 % |
|--|--------------------------|-----------------|-----------------|-----------------|
| Unlisted Shariah-compliant collective investment schemes | 98.1 | 99.1 | 98.0 | 98.2 |
| Cash | 1.9 | 0.9 | 2.0 | 1.8 |
| | <u>100.0</u> | <u>100.0</u> | <u>100.0</u> | <u>100.0</u> |

Note: The above mentioned percentages are based on total Shariah-compliant investment market value plus cash.

b. Distribution among markets

The Fund invests in unlisted Shariah-compliant collective investment schemes only.

3.2 Performance details of the Fund for the financial period ended 30 November 2023 against the last three financial years ended 31 May are as follows:

| | Period from 1.6.2023 to 30.11.2023 | FY 2023 | FY 2022 | FY 2021 |
|--|---|--------------------|--------------------|--------------------|
| Net asset value ("NAV") (RM'000) | 892.25 | 782.22 | 528.70 | 386.46 |
| Units in circulation ('000) | 1,546.67 | 1,397.08 | 938.36 | 647.77 |
| NAV per unit (RM) | 0.5769 | 0.5599 | 0.5634 | 0.5966 |
| Highest NAV per unit (RM) | 0.5794 | 0.5747 | 0.6188 | 0.6205 |
| Lowest NAV per unit (RM) | 0.5566 | 0.5315 | 0.5502 | 0.5465 |
| Total return (%) | 3.04 | -0.62 | -5.56 | 8.67 |
| - Capital growth (%) | 3.04 | -0.62 | -5.56 | 8.67 |
| - Income growth (%) | - | - | - | - |
| Gross distribution per unit (sen) | - | - | - | - |
| Net distribution per unit (sen) | - | - | - | - |
| Total expense ratio ("TER") (%) ¹ | - | 0.01 | - | - |
| Portfolio turnover ratio ("PTR") (times) ² | 0.11 | 0.32 | 0.37 | 0.64 |

Note: Total return is the actual return of the Fund for the respective financial period/years, computed based on NAV per unit and net of all fees.

TER is computed based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis. PTR is computed based on the average of the total acquisitions and total disposals of Shariah-compliant investment securities of the Fund divided by the average fund size calculated on a daily basis.

Above NAV and NAV per unit are not shown as ex-distribution as there were no distribution declared by the Fund during the financial period under review.

- 1. TER is nil due to all expenses borne by the PRS Provider.*
- 2. PTR is lower than previous financial year as it refers to a shorter financial period under review.*

3.3 Average total return of the Fund

| | 1 Year 30 Nov 22 - 30 Nov 23 | 3 Years 30 Nov 20 - 30 Nov 23 | 5 Years 30 Nov 18 - 30 Nov 23 |
|--|---|--|--|
| PKSOMF | 3.11% | -0.67% | 3.12% |
| A composite of FBM EMAS Shariah Index (60%) and Maybank 1-Month GIA rate (40%) | 3.57% | -0.86% | 2.13% |

Source: Lipper IM

3.4 Annual total return of the Fund

| | Period under review 31 May 23 - 30 Nov 23 | 1 Year | | | | |
|--|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 31 May 22 - 31 May 23 | 31 May 21 - 31 May 22 | 31 May 20 - 31 May 21 | 31 May 19 - 31 May 20 | 31 May 18 - 31 May 19 |
| PKSOMF | 3.04% | -0.62% | -5.56% | 8.67% | 5.13% | 2.92% |
| A composite of FBM EMAS Shariah Index (60%) and Maybank 1-Month GIA rate (40%) | 3.14% | -2.06% | -3.68% | 5.98% | 3.92% | 1.05% |

Source: Lipper IM

Investors are reminded that past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

KENANGA SHARIAH ONEPRS MODERATE FUND

**Unaudited Semi-Annual Financial Statements Together with
Trustee's Report, Shariah Adviser's Report and Statement
by the PRS Provider
30 November 2023**

KENANGA SHARIAH ONEPRS MODERATE FUND

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**SCHEME TRUSTEE'S REPORT
TO THE MEMBERS OF KENANGA SHARIAH ONEPRS MODERATE FUND (“Fund”)**

We have acted as Scheme Trustee of the Fund for the financial period from 1 June 2023 to 30 November 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Kenanga Investors Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the PRS Provider under the deed, securities laws and the Guidelines on Private Retirement Schemes;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For and on behalf of
CIMB Islamic Trustee Berhad

Datin Ezreen Eliza binti Zulkiplee
Chief Executive Officer

Kuala Lumpur, Malaysia

31 January 2024

SHARIAH ADVISER'S REPORT FOR ISLAMIC PRIVATE RETIREMENT SCHEME FUND TO THE MEMBERS OF KENANGA SHARIAH ONEPRS MODERATE FUND ("Fund")

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Kenanga Investors Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the Shariah principles and requirements and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The assets of the Fund comprise instruments that have been classified as Shariah-compliant.

For Kenanga Investment Bank Berhad Shariah Committee

DR GHAZALI BIN JAAPAR
Shariah Adviser/Designated Person Responsible for Shariah Advisory

Kuala Lumpur, Malaysia

31 January 2024

STATEMENT BY THE PRS PROVIDER

I, Datuk Wira Ismitz Matthew De Alwis, being a director of Kenanga Investors Berhad, do hereby state that, in the opinion of the PRS Provider, the accompanying statement of financial position as at 30 November 2023 and the related statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial period from 1 June 2023 to 30 November 2023 together with notes thereto, are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of Kenanga Shariah OnePRS Moderate Fund as at 30 November 2023 and of its financial performance and cash flows for the financial period from 1 June 2023 to 30 November 2023 and comply with the requirements of the Deed.

For and on behalf of the PRS Provider
KENANGA INVESTORS BERHAD

DATUK WIRA ISMITZ MATTHEW DE ALWIS
Executive Director/Chief Executive Officer

Kuala Lumpur, Malaysia

31 January 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 to 30 NOVEMBER 2023 *(unaudited)*

| | Note | 1.6.2023 to 30.11.2023 RM | 1.6.2022 to 30.11.2022 RM |
|---|------|---------------------------------|---------------------------------|
| INVESTMENT INCOME | | | |
| Profit income | | 6 | 7 |
| Net gain from Shariah-compliant investments: | | | |
| - Financial assets at fair value through profit or loss ("FVTPL") | 4 | 24,697 | 365 |
| | | <u>24,703</u> | <u>372</u> |
| EXPENSES | | | |
| Administration expenses | | - | 64 |
| NET INCOME BEFORE TAX | | 24,703 | 308 |
| Income tax | 9 | - | - |
| NET INCOME AFTER TAX, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD | | <u>24,703</u> | <u>308</u> |
| Net income after tax is made up as follows: | | | |
| Realised loss | | (2,119) | (4,638) |
| Unrealised gain | 4 | 26,822 | 4,946 |
| | | <u>24,703</u> | <u>308</u> |

The accompanying notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2023 *(unaudited)*

| | Note | 30.11.2023 RM | 30.11.2022 RM |
|--|-------|------------------|------------------|
| ASSETS | | | |
| INVESTMENT | | | |
| Financial assets at FVTPL | 4 | 874,443 | 662,044 |
| OTHER ASSET | | | |
| Amount due from PRS Provider | | 960 | 255 |
| Cash at bank | | 16,850 | 13,187 |
| | | 17,810 | 13,442 |
| TOTAL ASSETS | | 892,253 | 675,486 |
| EQUITY | | | |
| Members' contribution | | 872,531 | 680,196 |
| Retained earnings/(Accumulated losses) | | 19,722 | (4,710) |
| NET ASSET VALUE ("NAV") ATTRIBUTABLE TO MEMBERS | 10 | 892,253 | 675,486 |
| TOTAL EQUITY | | 892,253 | 675,486 |
| NUMBER OF UNITS IN CIRCULATION | 10(a) | 1,546,670 | 1,207,270 |
| NAV PER UNIT (RM) | | 0.5769 | 0.5595 |

The accompanying notes form an integral part of the financial statements.

**STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 to 30 NOVEMBER 2023 (unaudited)**

| | Note | Members' contribution RM | Retained earnings/ (Accumulated losses) RM | Total NAV RM |
|--------------------------------------|-------|--------------------------------|--|-----------------|
| 1.6.2023 to 30.11.2023 | | | | |
| At beginning of the financial period | | 787,198 | (4,981) | 782,217 |
| Total comprehensive income | | - | 24,703 | 24,703 |
| Creation of units | 10(a) | 91,283 | - | 91,283 |
| Cancellation of units | 10(a) | (5,950) | - | (5,950) |
| At end of the financial period | | <u>872,531</u> | <u>19,722</u> | <u>892,253</u> |
| 1.6.2022 to 30.11.2022 | | | | |
| At beginning of the financial period | | 533,715 | (5,018) | 528,697 |
| Total comprehensive income | | - | 308 | 308 |
| Creation of units | 10(a) | 153,618 | - | 153,618 |
| Cancellation of units | 10(a) | (7,220) | - | (7,220) |
| Distribution equalisation | 10(a) | 83 | - | 83 |
| At end of the financial period | | <u>680,196</u> | <u>(4,710)</u> | <u>675,486</u> |

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 to 30 NOVEMBER 2023 *(unaudited)*

| | 1.6.2023 to 30.11.2023 RM | 1.6.2022 to 30.11.2022 RM |
|---|--|--|
| CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES | | |
| Proceeds from sale of financial assets at FVTPL | 48,555 | 48,059 |
| Reimbursement received from PRS Provider | 7,260 | - |
| Hibah from Islamic current account received | 6 | 7 |
| Payment for other fees and expenses | - | (69) |
| Purchase of financial assets at FVTPL | (131,179) | (191,698) |
| Net cash used in operating and investing activities | <u>(75,358)</u> | <u>(143,701)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Cash received from units created | 91,049 | 153,568 |
| Cash paid on units cancelled | (5,950) | (7,220) |
| Net cash generated from financing activities | <u>85,099</u> | <u>146,348</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | <u>9,741</u> | <u>2,647</u> |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD | <u>7,109</u> | <u>10,540</u> |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD | <u>16,850</u> | <u>13,187</u> |
| Cash and cash equivalents comprise: | | |
| Cash at bank | <u>16,850</u> | <u>13,187</u> |

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 to 30 NOVEMBER 2023 *(unaudited)*

1. THE FUND, THE PRS PROVIDER AND THEIR PRINCIPAL ACTIVITIES

Kenanga Shariah OnePRS Moderate Fund (“the Fund”) was constituted pursuant to the executed Deed dated 30 November 2015 (collectively, together with the deeds supplemental thereto, referred to as “the Deed”) between the Private Retirement Scheme Provider (“PRS Provider”), Kenanga Investors Berhad and CIMB Islamic Trustee Berhad (“the Trustee”). The Fund commenced operations on 18 August 2016 and will continue to be in operation until terminated as provided under Part 16 of the Deed.

Kenanga Investors Berhad is a wholly-owned subsidiary of Kenanga Investment Bank Berhad that is listed on the Main Market of Bursa Malaysia Securities Berhad. All of these companies are incorporated in Malaysia.

The principal place of business of the PRS Provider is Level 14, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur.

The Fund aims to provide income and capital growth over the long-term through investments in Shariah-compliant equities and sukuk. The Fund seeks to achieve its objective by investing a maximum of 60% of the Fund’s NAV in Shariah-compliant equities and at least 40% of the Fund’s NAV in sukuk and Islamic money market instruments. However, at the launch of the Fund, the Fund aims to meet its objective and asset allocation by investing a maximum of 95% of the Fund’s NAV in any one of the Islamic collective investment schemes (“Target Fund”) managed by the PRS Provider that is in line with the Fund’s asset allocation. Such investment shall be from the launch of the Fund until the Fund reaching RM200 million NAV.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks including market risk (which includes interest rate risk and price risk), credit risk, liquidity risk and reclassification of Shariah status risk. Whilst these are the most important types of financial risks inherent in each type of financial instruments, the PRS Provider and the Trustee would like to highlight that this list does not purport to constitute an exhaustive list of all the risks inherent in a Shariah-compliant investment in the Fund.

The Fund has an approved set of investment guidelines and policies as well as internal controls which sets out its overall business strategies to manage these risks to optimise returns and preserve capital for the members, consistent with the long-term objectives of the Fund.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

a. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and price risk.

Market risk arises when the value of the Shariah-compliant investments fluctuates in response to the activities of individual companies, general market or economic conditions. It stems from the fact that there are economy-wide perils, which threaten all businesses. Hence, investors are exposed to market uncertainties. Fluctuation in the Shariah-compliant investment's price caused by uncertainties in the economic, political and social environment will affect the NAV of the Fund.

The PRS Provider manages the risk of unfavourable changes in prices by cautious review of the Shariah-compliant investments and continuous monitoring of their performance and risk profiles.

i. Interest rate risk

Interest rate risk refers to how the changes in the interest rate environment would affect the valuation of Shariah-compliant instruments. In the event of a rising interest rate environment, the valuation of Shariah-compliant instruments may decrease, and vice versa. Interest rate, such as the Overnight Policy Rate set by Bank Negara Malaysia, will have an impact on the investment decisions of the Fund regardless of whether it is a Shariah-compliant fund or otherwise. It does not in any way suggest that the Fund will invest in conventional financial instruments.

The Fund is not exposed to interest rate risk as it does not hold any assets and liabilities that have exposure to interest rate movement. However, the Fund has indirect exposure to interest rate risk through its Shariah-compliant investments in the unlisted Islamic collective investment schemes.

ii. Price risk

Price risk is the risk of unfavourable changes in the NAV of unlisted Islamic collective investment schemes. The Fund invests in unlisted Islamic collective investment schemes which are exposed to price fluctuations. This may then affect the NAV per unit of the Fund.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

a. Market risk (contd.)

ii. Price risk (contd.)

Price risk sensitivity

The PRS Provider's best estimate of the effect on the income for the financial period due to a reasonably possible change in investments in unlisted Islamic collective investment schemes with all other variables held constant is indicated in the table below:

| | Changes in price Increase/(Decrease) Basis points | Effects on income for the financial period Gain/(Loss) RM |
|---------------------------|---|---|
| 30.11.2023 | | |
| Financial assets at FVTPL | 5/(5) | 437/(437) |
| 30.11.2022 | | |
| Financial assets at FVTPL | 5/(5) | 331/(331) |

In practice, the actual trading results may differ from the sensitivity analysis above and the difference could be material.

Price risk concentration

The following table sets out the Fund's exposure and concentration to price risk based on its portfolio of Shariah-compliant financial instruments as at the reporting date.

| | Fair value | | Percentage of NAV | |
|------------------------------|------------------|------------------|-------------------|-----------------|
| | 30.11.2023 RM | 30.11.2022 RM | 30.11.2023 % | 30.11.2022 % |
| Financial assets at FVTPL | 874,443 | 662,044 | 98.0 | 98.0 |

b. Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. The PRS Provider manages the credit risk by undertaking credit evaluation to minimise such risk.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

b. Credit risk (contd.)

i. Credit risk exposure

As at the reporting date, the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial asset recognised in the statement of financial position.

ii. Financial assets that are either past due or impaired

As at the reporting date, there are no financial assets that are either past due or impaired.

c. Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are to be settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or cancel its units earlier than expected. The Fund is exposed to cancellation of its units on a regular basis. Units sold to members by the PRS Provider are cancellable at the members' option based on the Fund's NAV per unit at the time of cancellation calculated in accordance with the Deed.

The Islamic liquid asset comprises cash at bank.

The following table analyses the maturity profile of the Fund's financial assets and financial liabilities in order to provide a complete view of the Fund's contractual commitments and liquidity.

| | Note | Up to 1 year | |
|---------------------------|------|------------------|------------------|
| | | 30.11.2023 RM | 30.11.2022 RM |
| Assets | | | |
| Financial assets at FVTPL | | 874,443 | 662,044 |
| Other financial assets | | 17,810 | 13,442 |
| | i. | <u>892,253</u> | <u>675,486</u> |
| Equity | iii. | <u>892,253</u> | <u>675,486</u> |
| Liquidity gap | | <u>-</u> | <u>-</u> |

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

c. Liquidity risk (contd.)

i. Financial assets

Analysis of financial assets at FVTPL into maturity groupings is based on the expected date on which these assets will be realised. The Fund's investments in unlisted Islamic collective investment schemes have been included in the "up to 1 year" category on the assumption that these are highly liquid Shariah-compliant investments which can be realised should all of the Fund's members' equity be required to be redeemed. For other financial assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date on which the assets will be realised.

ii. Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the date on which the liabilities will be settled. When counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund can be required to pay.

iii. Equity

As the members can request for redemption of their units, they have been categorised as having a maturity of "up to 1 year".

d. Reclassification of Shariah status risk

Shariah status reclassification risk is the risk that the currently held Shariah-compliant equity securities in the portfolio of the Islamic Target Funds may be reclassified as Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of the Securities Commission Malaysia ("SACSC") or the Shariah Adviser. If this occurs, the PRS Provider will take the necessary steps to dispose of such securities.

There may be opportunity loss to the Islamic Target Funds due to the Islamic Target Funds not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant equities. The value of the Islamic Target Funds may also be adversely affected in the event of a disposal of Shariah non-compliant equities at a price lower than the investment cost.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

d. Reclassification of Shariah status risk (contd.)

In such an event, the Islamic Target Funds are required:

- i. to dispose of such securities with immediate effect or within one calendar month if the value of the securities exceeds or is equal to the investment cost on the effective date of reclassification of the list of Shariah-compliant securities ("Reclassification") by the SACSC or date of review ("Review") by the Shariah Adviser. The Islamic Target Funds are allowed to keep dividends received and capital gains from the disposal of the securities up to the effective date of Reclassification or Review. However, any dividends received and excess capital gains from the disposal of the Shariah non-compliant securities on and after the effective date of Reclassification or Review should be channelled to *baitulmal* and/or charitable bodies advised by the Shariah Adviser;
- ii. to hold such securities if the value of the said securities is below the investment cost on the effective date of Reclassification or Review until the total subsequent dividends received (if any) and the market price of the securities is equal to the cost of investment at which time disposal has to take place within one calendar month, excess capital gains (if any) from the disposal of the securities should be channelled to *baitulmal* and/or charitable bodies advised by the Shariah Adviser; or
- iii. to dispose of such securities at a price lower than the investment cost which will result in a decrease in the Islamic Target Funds' value.

e. Regulatory reportings

It is the PRS Provider's responsibility to ensure full compliance of all requirements under the Guidelines on Private Retirement Schemes issued by the Securities Commission Malaysia. Any breach of any such requirement has been reported in the mandatory reporting to the Securities Commission Malaysia on a monthly basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of accounting

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") as issued by the Malaysian Accounting Standards Board ("MASB") and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of accounting (contd.)

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the amended MFRS, which became effective for the Fund on 1 June 2023.

| Description | Effective for financial periods beginning on or after |
|---|---|
| MFRS 17: <i>Insurance Contracts</i> | 1 January 2023 |
| Amendments to MFRS 17: <i>Insurance Contracts</i> | 1 January 2023 |
| Amendment to MFRS 17: <i>Initial Application of MFRS 17 and MFRS 9 — Comparative Information</i> | 1 January 2023 |
| Amendments to MFRS 101: <i>Disclosure of Accounting Policies</i> | 1 January 2023 |
| Amendments to MFRS 108: <i>Definition of Accounting Estimates</i> | 1 January 2023 |
| Amendments to MFRS 112: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> | 1 January 2023 |
| Amendments to MFRS 112: <i>International Tax Reform — Pillar Two Model Rules</i> | 1 January 2023 |

The adoption of the amended MFRS did not have any significant impact on the financial position or performance of the Fund.

b. Amendments to standards issued but not yet effective

As at the reporting date, the following amendments to standards that have been issued by MASB will be effective for the Fund in future financial periods. The Fund intends to adopt the relevant amendments to standards when they become effective.

| Description | Effective for financial periods beginning on or after |
|--|---|
| Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i> | 1 January 2024 |
| Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i> | 1 January 2024 |
| Amendments to MFRS 101: <i>Non-current Liabilities with Covenants</i> | 1 January 2024 |
| Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Arrangements</i> | 1 January 2024 |
| Amendments to MFRS 121: <i>Lack of Exchangeability</i> | 1 January 2025 |
| Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> | To be announced by MASB |

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

b. Amendments to standards issued but not yet effective (contd.)

These pronouncements are not expected to have any significant impact to the financial statements of the Fund upon their initial application.

c. Financial instruments

Financial assets and liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instruments.

i. Initial recognition

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Notes 3(c)(ii) and (iii).

ii. Measurement categories of financial assets and liabilities

The Fund classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost;
- Fair value through other comprehensive income; and
- Fair value through profit or loss.

The Fund may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial assets are initially measured at their fair values plus, except in the case of financial assets recorded at FVTPL, transaction costs.

The Fund's other financial assets include cash at banks, short term Islamic deposits, trade receivables and other receivables.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

The Fund's other financial liabilities include trade payables and other payables.

Other financial liabilities are recognised and initially measured at fair values, net of directly attributable transaction costs and subsequently measured at amortised cost using the effective yield rate ("EYR"). Gains or losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

c. Financial instruments (contd.)

iii. Due from banks, short term Islamic deposits, trade receivables and other receivables at amortised cost

The Fund only measures the cash at banks, short term Islamic deposits, trade receivables and other receivables at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit (“SPPP”) on the principal amount outstanding.

The details of these conditions are outlined below.

Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund’s business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity’s key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How the PRS Provider of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- The expected frequency, value and timing of sales are also important aspects of the Fund’s assessment.

The business model assessment is based on reasonably expected scenarios without taking ‘worst case’ or ‘stress case’ scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund’s original expectations, the Fund does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward, unless it has been determined that there has been a change in the original business model.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

c. Financial instruments (contd.)

iii. Due from banks, short term Islamic deposits, trade receivables and other receivables at amortised cost (contd.)

The SPPP test

As a second step of its classification process, the Fund assesses the contractual terms of financial assets to identify whether they meet the SPPP test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation/accretion of the premium/discount).

The most significant elements of profit within a financing arrangement are typically the consideration for the time value of money and credit risk. To make the SPPP assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the profit rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic financing arrangement do not give rise to contractual cash flows that are solely payments of principal and profit on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

iv. Financial investments

Financial assets in this category are those that are managed in a fair value business model, or that have been designated by management upon initial recognition, or are mandatorily required to be measured at fair value under MFRS 9. This category includes debt instruments whose cash flow characteristics fail the SPPP criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. For the purpose of the investment made by the Fund, debt instruments refer to sukuk.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

d. Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Fund also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Fund has transferred the financial asset if, and only if, either:

- The Fund has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Fund retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Fund has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount financed plus accrued profit at market rates;
- The Fund cannot sell or pledge the original asset other than as security to the eventual recipients; and
- The Fund has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Fund is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including profit earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Fund has transferred substantially all the risks and rewards of the asset; or
- The Fund has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Fund considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

d. Derecognition of financial assets (contd.)

When the Fund has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Fund's continuing involvement, in which case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Fund could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Fund would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

e. Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis and to realise the assets and settle the liabilities simultaneously.

f. Impairment of financial assets

i. Overview of the expected credit loss ("ECL") principles

The Fund measures its receivables impairment using the forward-looking ECL approach in accordance with the requirements of MFRS 9.

ii. Write-offs

Financial assets are written off either partially or in their entirety only when the Fund has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

g. Income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

Profit income is recognised using the effective yield method.

Distribution income is recognised on declared basis, when the right to receive the distribution is established.

The realised gain or loss on sale of Shariah-compliant investments is measured as the difference between the net disposal proceeds and the carrying amount of the Shariah-compliant investment.

h. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash at banks and short term Islamic deposits with licensed financial institutions with maturities of three months or less, which have an insignificant risk of changes in value.

i. Income tax

Income tax on the profit or loss for the financial period comprises current tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial period.

As no temporary differences have been identified, no deferred tax has been recognised.

j. Unrealised reserves

Unrealised reserves represent the net gain or loss arising from carrying Shariah-compliant investments at their fair values at reporting date. This reserve is not distributable.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

k. Members' contribution – NAV attributable to members

The members' contribution to the Fund is classified as equity instruments.

In the previous financial period, distribution equalisation represents the average amount of undistributed net income included in the creation or cancellation price of units. This amount is either refunded to members by way of distribution and/or adjusted accordingly when units are released back to the Trustee.

l. Functional and presentation currency

The financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Fund's functional currency.

m. Distributions

Distributions are at the discretion of the PRS Provider. A distribution to the Fund's members is accounted for as a deduction from retained earnings.

n. Significant accounting judgments and estimates

The preparation of financial statements requires the use of certain accounting estimates and exercise of judgment. Estimates and judgments are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

i. Critical judgments made in applying accounting policies

There are no major judgments made by the PRS Provider in applying the Fund's accounting policies.

ii. Key sources of estimation uncertainty

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. FINANCIAL ASSETS AT FVTPL

| | 30.11.2023 RM | 30.11.2022 RM |
|--|---------------------------------|---------------------------------|
| Financial assets held for trading, at FVTPL: | | |
| Unlisted Islamic collective investment schemes | 874,443 | 662,044 |
| | 1.6.2023 to 30.11.2023 RM | 1.6.2022 to 30.11.2022 RM |
| Net gain on financial assets at FVTPL comprised: | | |
| Realised loss on disposals | (2,125) | (4,581) |
| Unrealised changes in fair values | 26,822 | 4,946 |
| | <u>24,697</u> | <u>365</u> |

Details of financial assets at FVTPL as at 30 November 2023:

| | Quantity | Aggregate cost RM | Fair value RM | Percentage of NAV % |
|---|----------|-------------------------|------------------|---------------------------|
| Unlisted Islamic collective investment schemes | | | | |
| Kenanga Bon Islam Fund | 504,790 | 365,165 | 365,418 | 41.0 |
| Kenanga Syariah Growth Fund | 476,125 | <u>524,041</u> | <u>509,025</u> | <u>57.0</u> |
| Total unlisted Islamic collective investment schemes, representing total financial assets at FVTPL | | <u>889,206</u> | <u>874,443</u> | <u>98.0</u> |
| Unrealised loss on financial assets at FVTPL | | | <u>(14,763)</u> | |

5. PRS PROVIDER'S REMUNERATION

PRS Provider's remuneration is calculated on a daily basis at a rate up to 5.00% per annum of the NAV of the Fund as provided under Division 17.1 of the Deed. The PRS Provider did not charge any fee for the current and previous financial periods.

6. TRUSTEE'S FEE

The Trustee's fee is calculated on a daily basis at a rate not exceeding 0.02% per annum of the NAV of the Fund and subject to a minimum fee of RM6,000 per annum as provided under Division 17.2 of the Deed.

Accordingly, the Trustee's fee is calculated based on a minimum fee of RM6,000 per annum. The Trustee's fee for the current and previous financial periods were borne by the PRS Provider.

7. PRIVATE PENSION ADMINISTRATOR ("PPA") ADMINISTRATION FEE

PPA administration fee is calculated on a daily basis at a rate of 0.04% per annum of the NAV of the Fund.

PPA administration fee for the current and previous financial periods were borne by the PRS Provider.

8. AUDITORS' REMUNERATION, TAX AGENT'S FEE AND OTHER ADMINISTRATION EXPENSES

The auditors' remuneration, tax agent's fee and other administration expenses for the current and previous financial periods were borne by the PRS Provider.

9. INCOME TAX

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable income for the current and previous financial periods.

Income tax is calculated on Shariah-compliant investment income less partial deduction for permitted expenses as provided for under Section 63B of the Income Tax Act, 1967.

9. INCOME TAX (CONTD.)

A reconciliation of income tax expense applicable to net income before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

| | 1.6.2023 to 30.11.2023 RM | 1.6.2022 to 30.11.2022 RM |
|---|--|--|
| Net income before tax | 24,703 | 308 |
| Tax at Malaysian statutory tax rate of 24% (financial period from 1 June 2022 to 30 November 2022: 24%) | 5,929 | 74 |
| Tax effect of: | | |
| Income not subject to tax | (6,439) | (1,189) |
| Loss not deductible for tax purposes | 510 | 1,100 |
| Expenses not deductible for tax purposes | - | 15 |
| Income tax for the financial period | - | - |

10. NET ASSET VALUE ATTRIBUTABLE TO MEMBERS

NAV attributable to members is represented by:

| | Note | 30.11.2023 RM | 30.11.2022 RM |
|--|-------------|--------------------------|--------------------------|
| Members' contribution | (a) | 872,531 | 680,196 |
| <u>Retained earnings/(Accumulated losses):</u> | | | |
| Realised reserves | | 34,485 | 38,280 |
| Unrealised deficits | | (14,763) | (42,990) |
| | | 19,722 | (4,710) |
| | | 892,253 | 675,486 |

(a) Members' contribution

| | 1.6.2023 to 30.11.2023 | | 1.6.2022 to 30.11.2022 | |
|--------------------------------------|-------------------------------|-----------|-------------------------------|-----------|
| | No. of units | RM | No. of units | RM |
| At beginning of the financial period | 1,397,085 | 787,198 | 938,363 | 533,715 |
| Add: Creation of units | 160,003 | 91,283 | 281,813 | 153,618 |
| Less: Cancellation of units | (10,418) | (5,950) | (12,906) | (7,220) |
| Distribution equalisation | - | - | - | 83 |
| At end of the financial period | 1,546,670 | 872,531 | 1,207,270 | 680,196 |

10. NET ASSET VALUE ATTRIBUTABLE TO MEMBERS (CONTD.)

The PRS Provider, Kenanga Investors Berhad, and other parties related to the PRS Provider did not hold any units in the Fund, either legally or beneficially, as at 30 November 2023 (30 November 2022: nil).

11. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund comprises:

- (i) Collective investment schemes which have been verified as Shariah-compliant by the Shariah Adviser; and
- (ii) Liquid assets placed in Shariah-compliant investments and/or instruments.

12. PORTFOLIO TURNOVER RATIO (“PTR”)

PTR for the financial period from 1 June 2023 to 30 November 2023 is 0.11 times (financial period from 1 June 2022 to 30 November 2022: 0.20 times).

PTR is the ratio of average sum of acquisitions and disposals of Shariah-compliant investments of the Fund for the financial period to the average NAV of the Fund, calculated on a daily basis.

13. TOTAL EXPENSE RATIO (“TER”)

TER for the financial period from 1 June 2023 to 30 November 2023 is nil per annum (financial period from 1 June 2022 to 30 November 2022: 0.01%).

TER is the ratio of total fees and recovered expenses of the Fund expressed as a percentage of the Fund's average NAV, calculated on a daily basis.

14. TRANSACTIONS WITH UNIT TRUST FUND'S MANAGER

| | Transaction value RM | Percentage of total % |
|---------------------------|----------------------------|-----------------------------|
| Kenanga Investors Berhad* | 184,373 | 100.0 |

* Kenanga Investors Berhad is the Manager of the unlisted Islamic collective investment schemes that the Fund invested in during the financial period.

14. TRANSACTIONS WITH UNIT TRUST FUND'S MANAGER (CONTD.)

The above transaction values were in respect of unlisted Islamic collective investment schemes and such transactions do not involve any commission or brokerage fees.

The directors of the PRS Provider are of the opinion that the transactions with Kenanga Investors Berhad have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The PRS Provider is of the opinion that the above dealings have been transacted on an arm's length basis.

15. SEGMENTAL REPORTING

As the Fund invests primarily in unlisted Islamic collective investment schemes, it is not possible or meaningful to classify its investments by separate business or geographical segments. A list of the unlisted Islamic collective investment schemes that the Fund has invested in is disclosed in Note 4.

16. FINANCIAL INSTRUMENTS

a. Classification of financial instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The significant accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

The following table analyses the financial assets and financial liabilities of the Fund in the statement of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis.

| | Financial assets at FVTPL RM | Financial assets at amortised cost RM | Other financial liability RM | Total RM |
|--|---------------------------------------|---|---------------------------------------|----------------|
| 30.11.2023 | | | | |
| Assets | | | | |
| Unlisted Islamic collective investment schemes | 874,443 | - | - | 874,443 |
| Amount due from PRS Provider | - | 960 | - | 960 |
| Cash at bank | - | 16,850 | - | 16,850 |
| | <u>874,443</u> | <u>17,810</u> | <u>-</u> | <u>892,253</u> |

16. FINANCIAL INSTRUMENTS (CONTD.)

a. Classification of financial instruments (contd.)

| | Financial assets at FVTPL RM | Financial assets at amortised cost RM | Other financial liability RM | Total RM |
|---|---------------------------------------|---|---------------------------------------|----------------|
| 30.11.2022 | | | | |
| Assets | | | | |
| Unlisted Islamic collective investment schemes | 662,044 | - | - | 662,044 |
| Amount due from PRS Provider | - | 255 | - | 255 |
| Cash at bank | - | 13,187 | - | 13,187 |
| | <u>662,044</u> | <u>13,442</u> | <u>-</u> | <u>675,486</u> |

b. Financial instruments that are carried at fair value

The Fund's financial assets at FVTPL are carried at fair value.

The following table shows the fair value measurements by level of the fair value measurement hierarchy:

| | Level 1 RM | Level 2 RM | Level 3 RM | Total RM |
|---|---------------|---------------|---------------|-------------|
| Investments: | | | | |
| 30.11.2023 | | | | |
| Unlisted Islamic collective investment schemes | - | 874,443 | - | 874,443 |
| 30.11.2022 | | | | |
| Unlisted Islamic collective investment schemes | - | 662,044 | - | 662,044 |

Level 1: Listed prices in active market

Level 2: Model with all significant inputs which are observable market data

Level 3: Model with inputs not based on observable market data

The fair values of unlisted Islamic collective investment schemes are stated based on the NAV per unit of those unlisted Islamic collective investment schemes at reporting date.

16. FINANCIAL INSTRUMENTS (CONTD.)

c. Financial instruments not carried at fair value and for which their carrying amounts are reasonable approximations of fair value

The carrying amounts of the Fund's other financial asset and financial liability are not carried at fair value but approximate fair values due to the relatively short-term maturity of these financial instruments.

17. CAPITAL MANAGEMENT

The capital of the Fund can vary depending on the demand for creation and cancellation of units to the Fund.

The Fund's objectives for managing capital are:

- a. To invest in Shariah-compliant investments meeting the description, risk exposure and expected return indicated in its disclosure documents;
- b. To maintain sufficient liquidity to meet the expenses of the Fund, and to meet cancellation requests as they arise; and
- c. To maintain sufficient fund size to make the operations of the Fund cost-efficient.

No changes were made to the capital management objectives, policies or processes during the current and previous financial period.

Appendix I – List of Amendments in Respect of The First Supplemental Disclosure Document

| NO. | FIRST REPLACEMENT DISCLOSURE DOCUMENT | FIRST SUPPLEMENTAL DISCLOSURE DOCUMENT |
|-----|--|---|
| 1. | GENERAL The references to "interim report(s)" and "investment committee(s)", wherever they appear in the First Replacement Disclosure Document, have been amended to "semi-annual report(s)" and "members of the committee undertaking the oversight function of the Funds" respectively. | |
| 2. | GLOSSARY OF TERMS Deed(s) Deed dated 30 November 2015 as modified by the first supplemental deed dated 7 July 2020 in respect of the Scheme and any other supplemental deed that may be entered into between the PRS Provider and the Scheme Trustee and registered with the SC. | GLOSSARY OF TERMS Deed(s) Deed dated 30 November 2015 as modified by the first supplemental deed dated 7 July 2020 <u>and the second supplemental deed dated 24 July 2023</u> in respect of the Scheme and any other supplemental deed that may be entered into between the PRS Provider and the Scheme Trustee and registered with the SC. |
| 3. | GLOSSARY OF TERMS <i>licensed financial institution</i> a) if the institution is in Malaysia: <ul style="list-style-type: none"> • a licensed bank; has the same meaning as given under the Financial Services Act 2013; • an Islamic bank; that is, a bank licensed under the Islamic Financial Services Act 2013; or • a licensed institution; that is, any institution licensed or deemed to be licensed under the Financial Services Act 2013 and Islamic Financial Services Act 2013. b) if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised to provide financial services by the relevant banking regulator. | GLOSSARY OF TERMS <i>licensed financial institution</i> a) if the institution is in Malaysia: <ul style="list-style-type: none"> • <u>licensed bank</u>, • <u>licensed investment bank</u>; or • <u>licensed Islamic bank</u>, b) if the institution is outside of Malaysia, any institution that is licensed, registered, approved, or authorised by <u>the relevant banking regulator</u> to provide financial services. |
| 4. | Nil. | GLOSSARY OF TERMS <i>Eligible Market</i> An exchange, government securities market or an OTC market: <ul style="list-style-type: none"> (a) that is regulated by a regulatory authority; (b) that is open to the public or to a substantial number of market participants; and (c) on which financial instruments are regularly traded. OTC over-the-counter. SACBNM Shariah Advisory Council of Bank Negara Malaysia. |
| 5. | CORPORATE DIRECTORY, SCHEME TRUSTEE CIMB Islamic Trustee Berhad Company No. 198801000556 (167913-M) Registered Office: Level 13, Menara CIMB Jalan Stesen Sentral 2, Kuala Lumpur Sentral 50470 Kuala Lumpur Tel: 03-2261 8888 Fax: 03-2261 0099 Business Address: Level 21, Menara CIMB Jalan Stesen Sentral 2, Kuala Lumpur Sentral 50470 Kuala Lumpur Tel: 03-2261 8888 Fax: 03-2261 9889 | CORPORATE DIRECTORY, SCHEME TRUSTEE CIMB Islamic Trustee Berhad Company No. 198801000556 (167913-M) Registered Office: Level 13, Menara CIMB Jalan Stesen Sentral 2, Kuala Lumpur Sentral 50470 Kuala Lumpur Tel: 03-2261 8888 Fax: 03-2261 0099 Business Address: Level 21, Menara CIMB Jalan Stesen Sentral 2, Kuala Lumpur Sentral 50470 Kuala Lumpur Tel: 03-2261 8888 Fax: 03-2261 9894 <u>E-mail: ss.corptrust@cimb.com</u> <u>Website: www.cimb.com</u> |

| | | |
|-----|---|---|
| 6. | <p>CORPORATE DIRECTORY, BOARD OF DIRECTORS</p> <p>Board of Directors Datuk Syed Ahmad Alwee Alsree (Chairman/Non-Independent Non-Executive Director) Syed Zafilen Syed Alwee (Independent Director) Peter John Rayner (Independent Director) Imran Devindran Bin Abdullah (Independent Director) Norazian Binti Ahmad Tajuddin (Independent Director) Ismitz Matthew De Alwis (Executive Director)</p> | <p>CORPORATE DIRECTORY, BOARD OF DIRECTORS</p> <p>Board of Directors <u>Choy Khai Choon, Steven</u> (Chairman/Non-Independent Non-Executive Director) Imran Devindran Bin Abdullah (Independent <u>Non-Executive</u> Director) Norazian Binti Ahmad Tajuddin (Independent <u>Non-Executive</u> Director) <u>Luk Wai Hong, William</u> (Non-Independent Non-Executive Director) <u>Datuk Wira Ismitz Matthew De Alwis</u> (Executive Director/<u>Chief Executive Officer</u>)</p> |
| 7. | <p>CORPORATE DIRECTORY, SCHEME TRUSTEE'S DELEGATE</p> <p>Scheme Trustee's Delegate: CIMB Islamic Bank Berhad Company No. 200401032872 (671380-H) Registered Office: Level 13, Menara CIMB Jalan Stesen Sentral 2, Kuala Lumpur Sentral 50470 Kuala Lumpur Tel: 03-2261 8888 Fax: 03-2261 8889 Website: www.cimb.com</p> <p>Business Address: Level 21, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Tel: 03 - 2261 8888 Fax: 03-2261 9892</p> | <p>CORPORATE DIRECTORY, SCHEME TRUSTEE'S DELEGATE</p> <p>Scheme Trustee's Delegate: CIMB Islamic Bank Berhad Company No. 200401032872 (671380-H) Registered Office: Level 13, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Tel: 03-2261 8888 Fax: 03-2261 8889 Website: www.cimb.com</p> <p>Business Address: Level 21, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Tel: 03 - 2261 8888 Fax: 03-2261 9892 E-mail: wb.tb-sscustody@cimb.com</p> |
| 8. | <p>CORPORATE DIRECTORY, INVESTMENT COMMITTEE</p> <p>Investment Committee Peter John Rayner (Chairman/Independent Member) Syed Zafilen Syed Alwee (Independent Member) Imran Devindran Bin Abdullah (Independent Member) Norazian Binti Ahmad Tajuddin (Independent Member) Ismitz Matthew De Alwis (Non-Independent Member)</p> | <p>Deleted.</p> |
| 9. | <p>CORPORATE DIRECTORY, AUDIT AND RISK COMMITTEE</p> <p>Audit and Risk Committee Syed Zafilen Syed Alwee (Chairman/Independent Member) Peter John Rayner (Independent Member) Imran Devindran bin Abdullah (Independent Member) Norazian Binti Ahmad Tajuddin (Independent Member)</p> | <p>CORPORATE DIRECTORY, AUDIT AND RISK COMMITTEE</p> <p>Audit and Risk Committee Imran Devindran Bin Abdullah (<u>Chairman and Independent Member</u>) Norazian Binti Ahmad Tajuddin (Independent Member) <u>Luk Wai Hong, William</u> (Non-Independent Member)</p> |
| 10. | <p>CORPORATE DIRECTORY, FEDERATION OF INVESTMENT MANAGERS MALAYSIA</p> <p>Federation of Investment Managers Malaysia 19-06-1, 6th Floor, Wisma Tune 19, Lorong Dungun, Damansara Heights 50490 Kuala Lumpur Tel: 03-2093 2600 Fax: 03-2093 2700 Website: www.fimm.com.my</p> | <p>CORPORATE DIRECTORY, FEDERATION OF INVESTMENT MANAGERS MALAYSIA</p> <p>Federation of Investment Managers Malaysia 19-06-1, 6th Floor, Wisma Tune 19, Lorong Dungun, Damansara Heights 50490 Kuala Lumpur Tel: 03-7890 4242 E-mail: complaints@fimm.com.my Website: www.fimm.com.my</p> |
| 11. | <p>CORPORATE DIRECTORY, AUDITOR OF THE PRS PROVIDER</p> <p>AUDITORS OF THE PRS PROVIDER & AUDITORS OF THE FUNDS</p> <p>Auditor of the PRS Provider Ernst & Young PLT (202006000003 (LLP0022760-LCA) & AF 0039) Business Address: Level 23A, Menara Millennium Jalan Damanlela, Pusat Bandar Damansara 50490 Kuala Lumpur Tel: 03-7495 8000</p> | <p>CORPORATE DIRECTORY, AUDITOR OF THE PRS PROVIDER</p> <p>AUDITORS OF THE PRS PROVIDER & AUDITORS OF THE FUNDS</p> <p>Auditor of the PRS Provider Ernst & Young PLT (202006000003 (LLP0022760-LCA) & AF 0039) Business Address: Level 23A, Menara Millennium Jalan Damanlela, Pusat Bandar Damansara 50490 Kuala Lumpur Tel: 03-7495 8000 Website: https://www.ey.com/en_my</p> |

| 12. | <p>CORPORATE DIRECTORY, TAXATION ADVISER</p> <p>Taxation adviser Ernst & Young Tax Consultants Sdn. Bhd. Company No. 198901002487 (179793-K) Business Address: Level 23A, Menara Millennium Jalan Damaniela, Pusat Bandar Damansara 50490 Kuala Lumpur Tel: 03-7495 8000</p> | <p>CORPORATE DIRECTORY, TAXATION ADVISER</p> <p>Taxation adviser Ernst & Young Tax Consultants Sdn. Bhd. Company No. 198901002487 (179793-K) Business Address: Level 23A, Menara Millennium Jalan Damaniela, Pusat Bandar Damansara 50490 Kuala Lumpur Tel: 03-7495 8000 E-mail: evmalaysia@my.ev.com Website: www.ev.com</p> | | | | | | | | | | | | | | | | |
|------|--|---|-----------------------------|-------------------------------|----------------------|---|--|--|--|---|------|------------------------------|-------------------------------|----------------------|--|--|--|--|
| 13. | <p>CORPORATE DIRECTORY, SOLICITOR</p> <p>Solicitor Wei Chien & Partners D-20-02 Menara Suezcap 1 No.2 Jalan Kerinchi Gerbang Kerinchi Lestari 59200 Kuala Lumpur</p> | <p>CORPORATE DIRECTORY, SOLICITOR</p> <p>Solicitor Wei Chien & Partners D-20-02, Menara Suezcap 1 No. 2, Jalan Kerinchi Gerbang Kerinchi Lestari 59200 Kuala Lumpur Tel: 03-7931 9622 Fax: 03-7931 9612 E-mail: weichien@wcnp.com.my Website: www.wcnp.com.my</p> | | | | | | | | | | | | | | | | |
| 14. | <p>CORPORATE DIRECTORY, SHARIAH ADVISER</p> <p>Shariah Adviser Kenanga Investment Bank Berhad Company No. 197301002193 (15678-H) Level 16, Kenanga Tower 237, Jalan Tun Razak 50400 Kuala Lumpur Tel: 03-2172 2727 Fax: 03- 2172 2897 Website: www.kenanga.com.my</p> | <p>CORPORATE DIRECTORY, SHARIAH ADVISER</p> <p>Shariah Adviser Kenanga Investment Bank Berhad Company No. 197301002193 (15678-H) Level 16, Kenanga Tower 237, Jalan Tun Razak 50400 Kuala Lumpur Tel: 03-2172 2727 Fax: 03-2172 2897 E-mail: Dept-IslamicMarkets@kenanga.com.my Website: www.kenanga.com.my</p> | | | | | | | | | | | | | | | | |
| 15. | <p>CORPORATE DIRECTORY, PRINCIPAL BANKERS</p> <p>Principal bankers Standard Chartered Bank Malaysia Berhad Level 16, Menara Standard Chartered No. 30 Jalan Sultan Ismail 50250 Kuala Lumpur Public Bank Berhad 78 Jalan Raja Chulan 50200 Kuala Lumpur RHB Bank Berhad RHB Centre Jalan Tun Razak 50400 Kuala Lumpur</p> | <p>CORPORATE DIRECTORY, PRINCIPAL BANKER</p> <p>Principal banker Standard Chartered Bank Malaysia Berhad <u>Level 23, Equatorial Plaza</u> <u>Jalan Sultan Ismail</u> 50250 Kuala Lumpur Tel: 03-7661 8258 Website: www.sc.com/my</p> | | | | | | | | | | | | | | | | |
| 16. | <p>CORPORATE DIRECTORY, PRIVATE PENSION ADMINISTRATOR MALAYSIA</p> <p>Private Pension Administrator Malaysia Level 13A, Bangunan Tierra Crest Jalan SS 6/3 47301 Petaling Jaya Selangor Website: www.ppa.my Email: askppa@ppa.my</p> | <p>CORPORATE DIRECTORY, PRIVATE PENSION ADMINISTRATOR MALAYSIA</p> <p>Private Pension Administrator Malaysia Level 13A, Bangunan Tierra Crest <u>No. 3A, Jalan SS 6/3</u> <u>Kelana Jaya</u> 47301 Petaling Jaya Selangor Tel: 1300-131-772 E-mail: AskPPA@ppa.my Website: www.ppa.my</p> | | | | | | | | | | | | | | | | |
| 17. | <p>CHAPTER 3: KEY DATA, Section 3.1 Scheme Information, Brief description on the operations of the Scheme, Withdrawals, third paragraph</p> <p>The PRS Provider must pay the proceeds of the repurchase of Units in accordance with the following:</p> <table border="1" data-bbox="140 1348 602 1396"> <thead> <tr> <th>No</th> <th>Circumstances of withdrawal</th> <th>Period for payment to be made</th> <th>Recipient of payment</th> </tr> </thead> <tbody> <tr> <td>.</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> | No | Circumstances of withdrawal | Period for payment to be made | Recipient of payment | . | | | | <p>CHAPTER 3: KEY DATA, Section 3.1 Scheme Information, Brief description on the operations of the Scheme, Withdrawals, third paragraph</p> <p>The PRS Provider must pay the proceeds of the repurchase of Units in accordance with the following:</p> <table border="1" data-bbox="602 1348 1065 1396"> <thead> <tr> <th>N o.</th> <th>Circumstance s of withdrawal</th> <th>Period for payment to be made</th> <th>Recipient of payment</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> | N o. | Circumstance s of withdrawal | Period for payment to be made | Recipient of payment | | | | |
| No | Circumstances of withdrawal | Period for payment to be made | Recipient of payment | | | | | | | | | | | | | | | |
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| N o. | Circumstance s of withdrawal | Period for payment to be made | Recipient of payment | | | | | | | | | | | | | | | |
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| | (a) | After the day the Member reaches the retirement age | Within ten (10) days after the PRS Provider received a completed withdrawal request from the Member | Members | (a) | After the day the Member reaches the retirement age | Within <u>Z Business Days</u> after the PRS Provider received a completed withdrawal request from Member | Members |
| | (b) | Pre-retirement withdrawals from sub-account B | | | (b) | Pre-retirement withdrawals from sub-account B | | |
| | (c) | Permanent departure of Member from Malaysia | | | (c) | Permanent departure of Member from Malaysia | | |
| | (d) | Permanent total disablement, serious disease and mental disability of a Member | Within ten (10) days after the PRS Provider received a completed withdrawal request (either received directly or through a notification from the PPA) | Members | (d) | Permanent total disablement, serious disease and mental disability of a Member | Within <u>Z Business Days</u> after the PRS Provider received a completed withdrawal request (either received directly or through a notification from the PPA) | Members |
| | (e) | Death of a Member | Within ten (10) days after the PRS Provider received an authorisation from the PPA | (i) Either a nominee, trustee, executor, or administrator of a deceased Member (ii) Notwithstanding paragraph (i), the PRS Provider may pay the accrued benefits to the nominee as stipulated in the Guidelines. | (e) | Death of a Member | Within <u>Z Business Days</u> after the PRS Provider received an authorisation from the PPA | (i) Either a nominee, trustee, executor, or administrator of a deceased Member (ii) Notwithstanding paragraph (i), the PRS Provider may pay the accrued benefits to the nominee as stipulated in the Guidelines. |
| | (f) | For housing purpose | Within ten (10) days after the PRS Provider received a completed withdrawal request | Members' account or joint housing loan account | (f) | For housing purpose | Within <u>Z Business Days</u> after the PRS Provider received a completed withdrawal request | Members' account or joint housing loan account |
| | (g) | For healthcare purpose | Within ten (10) days after the PRS Provider received a completed withdrawal request | Members | (g) | For healthcare purpose | Within <u>Z Business Days</u> after the PRS Provider received a completed withdrawal request | Members |
| 18. | CHAPTER 3: KEY DATA, Section 3.3 Fees and Charges, 3.3.3 Fees charged to the Fund and other Fund expenses, Fund expenses <ul style="list-style-type: none"> Commissions or fees paid to brokers or dealers in effecting dealings in the Shariah-compliant investments of the Fund, shown on the contract notes or confirmation notes; (where the custodial function is delegated by the Scheme Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund; taxes and other duties charged on the Fund by the government and/or other authorities; auditor's fees and expenses; | | | | CHAPTER 3: KEY DATA, Section 3.3 Fees and Charges, 3.3.3 Fees charged to the Fund and other Fund expenses, Fund expenses <ul style="list-style-type: none"> commissions or fees paid to brokers or dealers in effecting dealings in the Shariah-compliant investments of the Fund, shown on the contract notes or confirmation notes; (where the custodial function is delegated by the Scheme Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund; taxes and other duties charged on the Fund by the government and/or other authorities; auditor's fees and expenses; | | | |

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| | <ul style="list-style-type: none"> valuation fees incurred for the valuation of the Shariah-compliant investment of the Fund by independent valuers for the benefit of the Fund; independent investment committee members' fee; Shariah adviser's fee; tax adviser's fee; costs for modification of the Deed other than those for the benefit of the PRS Provider and/or the Scheme Trustee; costs incurred for meetings of the Members other than those convened by, or for the benefit of the PRS Provider and/or the Scheme Trustee; and any other expenses as may be allowed under the Deed. | <ul style="list-style-type: none"> <u>fees incurred for the valuation of any investment of the Funds; remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Funds, unless the PRS Provider decides otherwise;</u> <u>costs, fees and expenses incurred in engaging any adviser for the benefit of the Funds;</u> costs for modification of the Deed other than those for the benefit of the PRS Provider and/or the Scheme Trustee; costs incurred for meetings of <u>Members</u> other than those convened by, or for the benefit of the PRS Provider and/or the Scheme Trustee; and any other fees and expenses as may be allowed under the Deed. |
| 19. | <p>CHAPTER 3: KEY DATA, Section 3.5 Other Information, Deed</p> <ul style="list-style-type: none"> Deed dated 30 November 2015 First Supplemental Deed dated 7 July 2020 | <p>CHAPTER 3: KEY DATA, Section 3.5 Other Information, Deed</p> <ul style="list-style-type: none"> Deed dated 30 November 2015 First Supplemental Deed dated 7 July 2020 <u>Second Supplemental Deed dated 24 July 2023</u> |
| 20. | <p>CHAPTER 3: KEY DATA, Section 3.5 Other Information, Where and how to lodge a complaint, item no. 4</p> <p>4. Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:</p> <p>(a) via phone to : 03-2092 3800 (b) via fax to : 03-2093 2700 (c) via email to : complaints@fimm.com.my (d) via online complaint form available at www.fimm.com.my (e) via letter to : Legal Secretarial & Regulatory Affairs Federation of Investment Managers Malaysia 9-06-01, 6th Floor, Wisma Tune No. 19, Lorong Dungan Damansara Heights 50490 Kuala Lumpur</p> | <p>CHAPTER 3: KEY DATA, Section 3.5 Other Information, Where and how to lodge a complaint, item no. 4</p> <p>4. Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:</p> <p>(a) via phone to : <u>03-7890 4242</u> (b) <u>via e-mail to</u> : complaints@fimm.com.my (c) via online complaint form available at www.fimm.com.my (d) via letter to : <u>Legal & Regulatory Affairs</u> Federation of Investment Managers Malaysia 19-06-01, 6th Floor, Wisma Tune No. 19, Lorong Dungan Damansara Heights 50490 Kuala Lumpur</p> |
| 21. | Nil. | <p>CHAPTER 4: RISK FACTORS, Section 4.1 General Risk of Contributing to the Funds, Suspension of redemption risk</p> <p>Suspension of Redemption Risk</p> <p>The redemption of units of a Fund may be suspended under exceptional circumstances, where the fair value of a material portion of the Fund's assets cannot be reasonably determined. Upon suspension, the Fund will not be able to pay Members' redemption proceeds in a timely manner and Members will be compelled to remain invested in the Fund for a longer period of time than the stipulated repurchase timeline. Hence, Members' investments will continue to be subjected to the risk factors inherent to the Fund. Please refer to section 8.14 – Suspension of Dealing in Units for further details.</p> |
| 22. | <p>CHAPTER 4: RISK FACTORS, Section 4.2 Specific Risk when Contributing to the Funds, 4.2.1 Specific risks when contributing to the Core Funds, Liquidity Risk</p> <p>Liquidity risk</p> <p>Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. Generally, unrated sukuk are not as liquid as rated sukuk. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices. This risk can be mitigated through portfolio diversification by investing in various companies across different industries or sectors in the management of the Funds.</p> | <p>CHAPTER 4: RISK FACTORS, Section 4.2 Specific Risk when Contributing to the Funds, 4.2.1 Specific risks when contributing to the Core Funds, Liquidity Risk</p> <p>Liquidity risk</p> <p>Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. Generally, unrated sukuk are not as liquid as rated sukuk. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected and <u>subsequently the value of a Member's investments would be reduced when the Fund has to sell such assets at unfavourable prices.</u> This risk can be mitigated through portfolio diversification by investing in various companies across different industries or sectors in the management of the Funds.</p> |
| 23. | Nil. | <p>CHAPTER 4: RISK FACTORS, Section 4.3 Liquidity Risk Management</p> <p>We have established liquidity risk management policy to enable us to identify, monitor and manage the liquidity risk of the Fund in order to meet the redemption requests from the Members as well as to safeguard the interests of the remaining Members. In managing the Fund's liquidity, we will:</p> |

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| | | <p>(i) ensure the Fund maintains sufficient Islamic liquid assets to meet redemption requests from Members;</p> <p>(ii) regularly review the Fund's investment portfolio including its liquidity profile;</p> <p>(iii) monitor the Fund's net flows against redemption requests during normal and adverse market conditions to ensure the Fund has sufficient cash holdings to mitigate any potential risk in not being able to meet the redemption requests from Members; and</p> <p>(iv) where applicable, obtain Islamic cash financing on a temporary basis for the purpose of meeting redemption requests for Units and for short-term bridging requirements.</p> <p>However, if we have exhausted the above avenue, we will, in consultation with the Scheme Trustee and having considered the interests of the Members, resort to suspend the redemption of Units to manage the liquidity of the Fund under exceptional circumstances, where the fair value of a material portion of the Fund's assets cannot be reasonably determined. Any redemption request received by us during the suspension period will only be accepted and processed on the next Business Day after the cessation of suspension of the Fund. Please refer to section 8.14 – Suspension of Dealing in Units for further details.</p> |
| 24. | <p>CHAPTER 6: DETAILS OF THE FUNDS, Section 6.6 Investment Restrictions and Limits</p> <p>6.6.1 Kenanga Shariah OnePRS Conservative Fund</p> <p>The Fund is subject to the following investment restrictions and limits stipulated in the Guidelines:</p> <p>(a) The value of a Fund's investments in unlisted Shariah-compliant securities must not exceed 10% of the Fund's NAV;</p> <p>(b) The value of a Fund's investments in Shariah-compliant ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV;</p> <p>(c) The value of a Fund's placement in Islamic deposits with any single licensed financial institution must not exceed 20% of the Fund's NAV;</p> <p>(d) For investments in Islamic derivatives:</p> <ul style="list-style-type: none"> • the exposure to the underlying assets must not exceed the investment spread limits stipulated in this section; and • the value of a Fund's over-the-counter ("OTC") Islamic derivatives transaction with any single counterparty must not exceed 10% of the Fund's NAV; | <p>CHAPTER 6: DETAILS OF THE FUNDS, Section 6.6 Investment Restrictions and Limits</p> <p>6.6.1 Kenanga Shariah OnePRS Conservative Fund</p> <p>The Fund is subject to the following investment restrictions and limits stipulated in the Guidelines:</p> <p>(a) The <u>aggregate value of the Fund's investments in Shariah-compliant transferable securities that are not traded or dealt in or under the rules of an Eligible Market (i.e., unlisted Shariah-compliant securities) must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer.</u></p> <p>(b) The value of the Fund's investments in Shariah-compliant ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV.</p> <p>(c) <u>The value of the Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV ("single issuer limit"). In determining the single issuer limit, the value of the Fund's investments in Shariah-compliant instruments in paragraph (a) issued by the same issuer must be included in the calculation. The single issuer limit may be raised to 35% of the Fund's NAV if the issuing entity is, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency.</u></p> <p>(d) The value of the Fund's placements in Islamic deposits with any single licensed financial institution must not exceed 20% of the Fund's NAV. <u>The single licensed financial institution limit does not apply to placements of Islamic deposits arising from:</u></p> <ul style="list-style-type: none"> (i) <u>subscription monies received prior to the commencement of investment by the Fund;</u> (ii) <u>liquidation of investments prior to the termination of the Fund, where the placement of Islamic deposits with various licensed financial institutions would not be in the best interests of Members; or</u> (iii) <u>monies held for the settlement of redemption or other payment obligations, where the placement of Islamic deposits with various licensed financial institutions would not be in the best interest of Members.</u> <p>(e) For investments in Islamic derivatives:</p> <ul style="list-style-type: none"> (i) the exposure to the underlying assets must not exceed the investment spread limits stipulated in this section; (ii) <u>the Fund's global exposure from its Islamic financial derivative positions must not exceed the Fund's NAV at all times; and</u> |

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| <p>(e) The aggregate value of a Fund's investments in Shariah-compliant transferable securities, Islamic money market instruments, Islamic deposits and OTC Islamic derivatives issued by or placed with (as the case may be) any single issuer or licensed financial institution must not exceed 25% of the Fund's NAV.</p> <p>(f) The value of a Fund's investments in sukuk issued by any single issuer must not exceed 20% of the Fund's NAV. The single issuer limit may be increased to 30% if the sukuk are rated by any domestic rating agency to be of the best quality and offer highest safety for timely payment of profit and principal;</p> <p>(g) Where the single issuer limit of investments in sukuk is increased to 30% of the Fund's NAV, the aggregate value of the Fund's investments must not exceed 30% of the Fund's NAV;</p> <p>(h) The value of a Fund's investments in sukuk issued by any one group of companies must not exceed 30% of the Fund's NAV;</p> <p>(i) The Fund's investments in Shariah-compliant transferable securities (other than sukuk) must not exceed 10% of the Shariah-compliant securities issued by any single issuer;</p> <p>(j) The Fund's investments in sukuk must not exceed 20% of the sukuk issued by any single issuer; and</p> | <p>(iii) <u>the global exposure of the Fund is calculated using commitment approach.</u></p> <p>(f) <u>The aggregate value of the Fund's investments in, or exposure to, a single issuer through Shariah-compliant transferable securities, Islamic money market instruments, Islamic deposits, underlying assets of Islamic derivatives and counterparty exposure arising from the use of OTC Islamic derivatives must not exceed 25% of the Fund's NAV ("single issuer aggregate limit"). In determining the single issuer aggregate limit, the value of the Fund's investments in Shariah-compliant instruments in paragraph (a) issued by the same issuer must be included in the calculation. Where the single issuer limit is increased to 35% of the Fund's NAV pursuant to paragraph (c), the single issuer aggregate limit may be raised, subject to the group limit in paragraph (i) not exceeding 35% of the Fund's NAV.</u></p> <p>(g) <u>The value of the Fund's investments in units or shares of any Islamic collective investment scheme must not exceed 20% of the Fund's NAV, provided that the Islamic collective investment scheme complies with the Guidelines, excluding an Islamic collective investment scheme that invests in real estate.</u></p> <p>(h) <u>The value of the Fund's investments in units or shares of an Islamic collective investment scheme that invests in real estate pursuant to the Guidelines must not exceed 15% of the Fund's NAV.</u></p> <p>(i) <u>Notwithstanding paragraphs (g) and (h) above, investment in units or shares of one or more Islamic collective investment schemes is permitted in the following circumstances:</u></p> <p><u>(i) from the launch of the Fund, the value of the Fund's investment in any of the Islamic collective investment scheme must not exceed 95% of the Fund's NAV;</u></p> <p><u>(ii) upon reaching an NAV of RM200 million, the value of the Fund's investment in any of the Islamic collective investment scheme must not exceed 40% of the Fund's NAV; and</u></p> <p><u>(iii) that the investment objective of the Islamic collective investment scheme is similar to the Fund.</u></p> <p>(j) <u>The value of the Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV ("group limit"). In determining the group limit, the value of the Fund's investments in Shariah-compliant instruments in paragraph (a) issued by the issuers within the same group of companies must be included in the calculation.</u></p> <p>(k) <u>The Fund's investments in Shariah-compliant shares or Shariah-compliant securities equivalent to shares must not exceed 10% of the Shariah-compliant shares or Shariah-compliant securities equivalent to shares, as the case may be, issued by a single issuer.</u></p> <p>(l) <u>The Fund's investments in sukuk must not exceed 20% of the sukuk issued by a single issuer. This limit may be disregarded at the time of acquisition if at that time of acquisition, the gross amount of sukuk in issue cannot be determined.</u></p> |
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| <p>(k) The Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. However, the above limit does not apply to Islamic money market instruments that do not have a pre-determined issue size.</p> <p>In addition to the above, the Fund must comply with the following restrictions imposed by the SC:</p> <p>(a) Investments in sukuk must be rated at least BBB3/P2 by RAM (or equivalent rating by MARC). However, sukuk which are rated below BBB3/P2 by RAM and/or are unrated, may comprise up to 5% of Kenanga Shariah OnePRS Conservative Fund's NAV (the 5% Limit). In the event the 5% Limit is exceeded, whether as a result of:</p> <ul style="list-style-type: none"> • a downgrade of any sukuk to below BBB3 or P2 by RAM; • an increase in the aggregate value of sukuk which are rated below BBB3/P2 and/or are unrated; or • a decrease in the NAV of Kenanga Shariah OnePRS Conservative Fund. <p>The PRS Provider must reduce such investments to comply with 5% limit unless in the opinion of the Scheme Trustee, the disposal of such investments is not in the best interests of Members;</p> <p>(b) Use of Shariah-compliant derivatives is for hedging purposes only;</p> <p>(c) No investment in Shariah-compliant warrants except as a result of Kenanga Shariah OnePRS Conservative Fund's holdings in Shariah-compliant equities; and</p> <p>(d) No investment in products with embedded Shariah-compliant derivatives;</p> | <p>(m) The Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. <u>This limit does not apply to Islamic money market instruments that do not have a pre-determined issue size.</u></p> <p>In addition to the above, the Fund must comply with the following restrictions imposed by the SC:</p> <p>(a) Investments in sukuk must be rated at least BBB3/P2 by RAM (or equivalent rating by MARC). However, sukuk which are rated below BBB3/P2 and/or are unrated, may comprise up to 5% of Kenanga Shariah OnePRS Conservative Fund's NAV (the 5% Limit). In the event the 5% Limit is exceeded, whether as a result of:</p> <ul style="list-style-type: none"> • a downgrade of any sukuk to below BBB3/P2 by RAM; • an increase in the aggregate value of sukuk which are rated below BBB3/P2 and/or are unrated; or • a decrease in the NAV of Kenanga Shariah OnePRS Conservative Fund, <p>the PRS Provider must reduce such investments to comply with 5% Limit unless in the opinion of the Scheme Trustee, the disposal of such investments is not in the best interests of Members;</p> <p>(b) Use of <u>Islamic</u> derivatives is for hedging purposes only;</p> <p>(c) No investment in Shariah-compliant warrants except as a result of Kenanga Shariah OnePRS Conservative Fund's holdings in Shariah-compliant equities; and</p> <p>(d) No investment in products with embedded <u>Islamic</u> derivatives.</p> |
| <p>6.6.2 Kenanga Shariah OnePRS Moderate Fund and Kenanga Shariah OnePRS Growth Fund</p> <p>(a) The value of each Fund's investments in unlisted Shariah-compliant securities must not exceed 10% of the Fund's NAV, however, the said limit does not apply to unlisted Shariah-compliant securities that are:</p> <ul style="list-style-type: none"> • Shariah-compliant equities not listed or quoted on a stock exchange but have been approved by relevant regulatory authority for such listing and quotation, and are offered directly to that Fund by the issuer; • Sukuk traded on an organised over-the-counter ("OTC") market; and • Islamic structured products; <p>(b) The value of each Fund's investments in Shariah-compliant ordinary shares issued by any single issuer must not exceed 10% of that Fund's NAV;</p> <p>(c) The value of each Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any single issuer must not exceed 15% of that Fund's NAV;</p> <p>(d) The value of each of the Fund's placement in Islamic deposits with any single licensed financial institution must not exceed 20% of that Fund's NAV;</p> | <p>6.6.2 Kenanga Shariah OnePRS Moderate Fund and Kenanga Shariah OnePRS Growth Fund</p> <p>(a) <u>The aggregate value of the Fund's investments in Shariah-compliant transferable securities that are not traded or dealt in or under the rules of an Eligible Market (i.e., unlisted Shariah-compliant securities) must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer.</u></p> <p>(b) The value of the Fund's investments in Shariah-compliant ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV.</p> <p>(c) The value of the Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV (<u>"single issuer limit"</u>). <u>In determining the single issuer limit, the value of the Fund's investments in Shariah-compliant instruments in paragraph (a) issued by the same issuer must be included in the calculation. The single issuer limit may be raised to 35% of the Fund's NAV if the issuing entity is, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency.</u></p> <p>(d) The value of the Fund's placements in Islamic deposits with any single licensed financial institution must not exceed 20% of the Fund's NAV. <u>The single licensed financial institution limit does not apply to placements of Islamic deposits arising from:</u></p> <p style="margin-left: 40px;">(i) <u>subscription monies received prior to the commencement of investment by the Fund;</u></p> |

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| | <p>(e) For investments in Islamic derivatives:</p> <ul style="list-style-type: none"> • the exposure to the underlying assets of that Shariah-compliant derivative must not exceed the investment spread limits stipulated in the Guidelines; and • the value of each Fund's OTC Shariah-compliant derivative transaction with any single counter-party must not exceed 10% of that Fund's NAV; <p>(f) Each Fund's exposure from Islamic derivatives position should not exceed that Fund's NAV at all times;</p> <p>(g) The value of each of the Fund's investment in Islamic structured products issued by a single counterparty must not exceed 15% of that Fund's NAV;</p> <p>(h) The aggregate value of each Fund's investments in Shariah-compliant transferable securities, Islamic money market instruments, Islamic deposits, OTC Islamic derivatives and Islamic structured products issued by or placed with (as the case may be) any single issuer or licensed financial institution must not exceed 25% of that Fund's NAV;</p> <p>(i) The Islamic collective investment scheme has to be regulated and registered or authorised or approved by the relevant regulatory authority in its home jurisdiction;</p> <p>(j) The investments in Islamic collective investment schemes must operate on the principle of prudent spread of risk and comply with the general investment principles and/or requirements of the Guidelines;</p> <p>(k) There must not be any cross-holding between a Fund and the Islamic collective investment schemes;</p> <p>(l) The Shariah-compliant warrants a Fund invests in must carry the right in respect of a Shariah-compliant security traded in or under the rules of an eligible market;</p> <p>(m) The value of each Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any group of companies must not exceed 20% of that Fund's NAV;</p> <p>(n) Each Fund's investments in Shariah-compliant transferable securities (other than sukuk) must not exceed 10% of the securities issued by any single issuer;</p> | <p>(ii) <u>liquidation of investments prior to the termination of the Fund, where the placement of Islamic deposits with various licensed financial institutions would not be in the best interests of Members; or</u></p> <p>(iii) <u>monies held for the settlement of redemption or other payment obligations, where the placement of Islamic deposits with various licensed financial institutions would not be in the best interest of Members.</u></p> <p>(e) For investments in Islamic derivatives:</p> <p>(i) <u>the exposure to the underlying assets must not exceed the investment spread limits stipulated in this section;</u></p> <p>(ii) <u>the Fund's global exposure from its Islamic financial derivative positions must not exceed the Fund's NAV at all times; and</u></p> <p>(iii) <u>the global exposure of the Fund is calculated using commitment approach.</u></p> <p>(f) The aggregate value of the Fund's investments in, <u>or exposure to a single issuer through</u> Shariah-compliant transferable securities, Islamic money market instruments, Islamic deposits, underlying assets of Islamic derivatives and <u>counterparty exposure arising from the use of OTC Islamic derivatives</u> must not exceed 25% of the Fund's NAV ("<u>single issuer aggregate limit</u>"). <u>In determining the single issuer aggregate limit, the value of the Fund's investments in Shariah-compliant instruments in paragraph (a) issued by the same issuer must be included in the calculation. Where the single issuer limit is increased to 35% of the Fund's NAV pursuant to paragraph (c), the single issuer aggregate limit may be raised, subject to the group limit in paragraph (i) not exceeding 35% of the Fund's NAV.</u></p> <p>(g) <u>The value of the Fund's investments in units or shares of any Islamic collective investment scheme must not exceed 20% of the Fund's NAV, provided that the Islamic collective investment scheme complies with the Guidelines, excluding an Islamic collective investment scheme that invests in real estate.</u></p> <p>(h) <u>The value of the Fund's investments in units or shares of an Islamic collective scheme that invests in real estate pursuant to the Guidelines must not exceed 15% of the Fund's NAV.</u></p> <p>(i) <u>Notwithstanding paragraphs (g) and (h) above, investment in units or shares of one or more Islamic collective investment schemes is permitted in the following circumstances:</u></p> <p>(i) <u>from the launch of the Fund, the value of the Fund's investment in any of the Islamic collective investment scheme must not exceed 95% of the Fund's NAV;</u></p> <p>(ii) <u>upon reaching an NAV of RM200 million, the value of the Fund's investment in any of the Islamic collective investment scheme must not exceed 40% of the Fund's NAV; and</u></p> <p>(iii) <u>that the investment objective of the Islamic collective investment scheme is similar to the Fund.</u></p> <p>(j) The value of the Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV ("<u>group limit</u>"). <u>In determining the group limit, the value of the Fund's investments in Shariah-compliant instruments in paragraph (a) issued by the issuers within the same group of companies must be included in the calculation.</u></p> <p>(k) <u>The Fund's investments in Shariah-compliant shares or Shariah-compliant securities equivalent to shares must not exceed 10% of the Shariah-compliant shares or Shariah-compliant securities equivalent to shares, as the case may be, issued by a single issuer.</u></p> |
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| <p>(o) Each Fund's investments in sukuk must not exceed 20% of the sukuk issued by any single issuer; and</p> <p>(p) Each Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to Islamic money market instruments that do not have a pre-determined issue size.</p> <p>Additional Requirements in PRS Guidelines on Investment Limits</p> <p>The SC has issued a revised Guidelines on Private Retirement Schemes on 4 May 2020 to allow the PRS Provider to invest as follows:</p> <p>Investment into one or more Islamic collective investment schemes is permitted in the following circumstances:</p> <p>(a) from launch of the Scheme, the value of a Fund's investment in any of the Islamic collective investment scheme must not exceed 95% of the Fund's NAV;</p> <p>(b) upon reaching RM200 million NAV, the value of a Fund's investment in any of the Islamic collective investment scheme must not exceed 40% of the Fund's NAV; and</p> <p>(c) that the investment objective of the Islamic collective investment scheme is similar to the Fund.</p> <p>The abovementioned investment limits and restrictions shall be complied with at all times based on the up-to-date value of each Fund, and the value of their investments and instruments, unless the SC grants the exemption or variation. However, a 5% allowance in excess of any limits or restrictions may be permitted where the limit or restriction is breached through the appreciation or depreciation in NAV of the Fund (whether as a result of an appreciation or depreciation in value of the investments of the Fund, repurchase of Units or payments made from the Fund). The PRS Provider must not make any further acquisitions to which the relevant limit is breached and must within a reasonable period of not more than 3 months from the date of such breach, take all necessary steps and actions to rectify the breach. Such limits and restrictions, however, do not apply to Shariah-compliant securities/instruments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.</p> | <p>(l) <u>The Fund's investments in sukuk must not exceed 20% of the sukuk issued by a single issuer. This limit may be disregarded at the time of acquisition if at that time of acquisition, the gross amount of sukuk in issue cannot be determined.</u></p> <p>(m) The Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to Islamic money market instruments that do not have a pre-determined issue size.</p> <p>The abovementioned investment limits and restrictions shall be complied with at all times based on the up-to-date value of each Fund, and the value of their investments and instruments, unless the SC grants the exemption or variation. <u>The PRS Provider must notify the SC within seven (7) Business Days of any breach of investment limits and restrictions with the steps taken to rectify and prevent such breach from recurring. However, any breach as a result of (a) appreciation or depreciation in value of each Fund's investments; (b) repurchase of Units or payment made out of each Fund; (c) change in capital of a corporation in which each Fund has invested in; or (d) downgrade in or cessation of a credit rating, need not be reported to the SC but must be rectified as soon as practicable within three (3) months from the date of the breach unless otherwise specified in the Guidelines. The three-month period may be extended if it is in the best interest of Members and the Scheme Trustee's consent is obtained. Such extension must be subject to at least a monthly review by the Scheme Trustee. Such limits and restrictions, however, do not apply to Shariah-compliant securities/ <u>Shariah-compliant</u> instruments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.</u></p> |
| <p>25. CHAPTER 6: DETAILS OF THE FUNDS, Section 6.11 Shariah Investment Guidelines adopted by KIBB, Cleansing Process and Zakat (Tithe)</p> <p>1. Shariah Investment Guidelines</p> <p>The following matters are adopted by KIBB's Shariah Committee in determining the Shariah status of investments of the Funds.</p> <p><u>Investment in Malaysia</u></p> <p>Equity:</p> <p>Reference for investment in local securities is based on the list of Shariah-compliant securities issued by the SACSC twice yearly on the last Friday of May and November which is readily available at the SC's website.</p> | <p>CHAPTER 6: DETAILS OF THE FUNDS, Section 6.11 Shariah Investment Guidelines adopted by KIBB, Cleansing Process and Zakat (Tithe)</p> <p>Shariah Investment Guidelines</p> <p><u>The investment portfolio of the Funds will comprise of instruments that have been classified as Shariah-compliant by the SACSC and, where applicable the SACBNM. For instruments that are not classified as Shariah-compliant by the SACSC and, where applicable the SACBNM, the status of the instruments has been determined in accordance with the ruling issued by the Shariah Adviser.</u></p> <p>The following matters are adopted by the <u>Shariah Adviser</u> in determining the Shariah status of investments of the Funds.</p> <p>1. <u>Shariah-compliant Equities</u></p> <p>1.1 <u>Local Shariah-compliant Equities</u></p> <p><u>For investment in local listed Shariah-compliant securities, reference is made to the list of Shariah-compliant securities issued by the SACSC on a half yearly basis (i.e. the last Friday of May and November) which is readily available at the SC's website.</u></p> |

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| <p>However, for Initial Public Offerings ("IPO") of companies whose the Shariah status have yet to be determined by the SACSC, KIBB's Shariah Committee adopts the following analysis as a temporary basis in determining its Shariah status until the SACSC releases the Shariah status of the respective companies.</p> <p>KIBB's Shariah Committee adopts a two-tier quantitative approach, which applies the business activity benchmarks and the financial ratio benchmarks, in determining the Shariah status of the listed securities. Hence, the securities will be classified as Shariah-compliant if their business activities and financial ratios are within these benchmarks.</p> <p>(a) Business Activity Benchmarks</p> <p>The contribution of Shariah non-compliant activities to the group revenue and group profit before taxation of the company will be computed and compared against the relevant business activity benchmarks as follows:</p> <p>(i) The 5% benchmark is applicable to the following business activities:</p> <ul style="list-style-type: none"> • Conventional banking and lending; • Conventional insurance; • Gambling; • Liquor and liquor-related activities; • Pork and pork-related activities; • Non-halal food and beverages; • Shariah non-compliant entertainment; • Tobacco and tobacco-related activities • Interest income from conventional accounts and instruments (including interest income awarded arising from a court judgements or arbitrator); • Dividends from Shariah non-compliant investment; and • Other activities deemed non-compliant according to Shariah principles as determined by SACSC. <p>For the above-mentioned business/activities, the contribution of Shariah non-compliant businesses/activities to the group revenue or group profit before taxation of the company must be less than 5%</p> <p>(ii) The 20% benchmark is applicable to the following businesses/activities:</p> <ul style="list-style-type: none"> • Share trading; • Stockbroking business; • Rental received from Shariah non-compliant activities; and • Other activities deemed non-compliant according to Shariah principles as determined by SACSC. | <p>However, for <u>local unlisted Shariah-compliant equities</u>, including initial public offering companies <u>which</u> the Shariah status have yet to be determined by the SACSC, <u>the Shariah Adviser</u> adopts the following analysis as a temporary basis in determining its Shariah status until the SACSC releases the Shariah status of the respective companies.</p> <ul style="list-style-type: none"> • Quantitative Analysis <p><u>The Shariah Adviser</u> adopts a two-tier quantitative approach, which applies the business activity benchmarks and the financial ratio benchmarks, in determining the Shariah status of the <u>securities</u>. Hence, the securities will be classified as Shariah-compliant if their business activities and financial ratios are within these benchmarks</p> <p>a) Business Activity Benchmarks</p> <p>The contribution of Shariah non-compliant activities to the group revenue and group profit before taxation of the company will be computed and compared against the relevant business activity benchmarks as follows:</p> <p>(i) The 5% benchmark <u>would be</u> applicable to the following businesses/activities:</p> <ul style="list-style-type: none"> • Conventional banking and lending; • Conventional insurance; • Gambling; • Liquor and liquor-related activities; • Pork and pork-related activities; • Non-halal food and beverages; • Tobacco and tobacco-related activities; • Interest income from conventional accounts and instruments (including interest income awarded arising from a court judgements or arbitrator); • Dividends from Shariah non-compliant investment; • Shariah non-compliant entertainment; and • Other activities deemed non-compliant according to Shariah principles as determined by the SACSC. <p>For the above-mentioned business/activities, the contribution of Shariah non-compliant businesses/activities to the group revenue or group profit before taxation of the company must be less than 5%.</p> <p>(ii) The 20% benchmark is applicable to the following businesses/activities:</p> <ul style="list-style-type: none"> • Share trading; • Stockbroking business; • Rental received from Shariah non-compliant activities; and • Other activities deemed non-compliant according to Shariah principles as determined by the SACSC. <p>For the above-mentioned business/activities, the contribution of</p> |
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| <p>For the above-mentioned business/activities, the contribution of Shariah non-compliant businesses/activities to the group revenue or group profit before taxation of the company must be less than 20%.</p> <p>(b) Financial Ratio Benchmarks</p> <p>The financial ratios benchmarks SACSC considers include the following:</p> <p>(i) Cash over total assets</p> <p>Cash will only include cash placed in conventional accounts and instruments, whereas cash placed in Islamic accounts and instruments will be excluded from the calculation.</p> <p>(ii) Debt over total assets</p> <p>Debt only includes interest-bearing debt whereas Islamic financing or sukuk is excluded from the calculation. Each ratio, which is intended to measure <i>riba</i> and <i>riba</i>-based elements within a company's statements of financial position, must be less than 33%.</p> <p>In addition to the above two-tier quantitative criteria, the SAC also considers the qualitative aspect which involves public perception or image of the company's activities from the perspective of Islamic teaching. Should any of the above deductions fail to meet the benchmarks, KIBB Shariah Committee will not accord Shariah-compliant status for the companies.</p> | <p>Shariah non-compliant businesses/activities to the group revenue or group profit before taxation of the company must be less than 20%.</p> <p>(b) Financial Ratio Benchmarks</p> <p>For the financial ratio benchmarks, the Shariah Adviser takes into account the following:</p> <p>(i) Cash over total assets</p> <p>Cash will only include cash placed in conventional accounts and instruments, whereas cash placed in Islamic accounts and instruments will be excluded from the calculation.</p> <p>(ii) Debt over total assets</p> <p>Debt only includes interest-bearing debt whereas Islamic financing or sukuk is excluded from the calculation.</p> <p>Each ratio, which is intended to measure <i>riba</i> and <i>riba</i>-based elements within a company's statements of financial position, must be less than 33%.</p> <p><u>Should any of the above benchmarks are exceeded, the Shariah Adviser will not accord Shariah-compliant status for the companies.</u></p> <ul style="list-style-type: none"> • Qualitative Analysis <p>In addition to the above two-tier quantitative criteria, the Shariah Adviser also takes into account the qualitative aspect which involves public perception or image of the company's activities from the perspective of Islamic teaching.</p> <p>1.2 Foreign Shariah-compliant Equities</p> <p><u>For foreign listed Shariah-compliant equities, reference is made to the list of the approved Islamic indices available in the market. For the Funds' investments in unlisted Shariah-compliant equities in the foreign markets which are not within the list of approved Islamic indices, the Shariah Adviser will apply the following analysis in determining the Shariah status of the equities.</u></p> <p>a) Core Business Activities Analysis</p> <p><u>Companies whose activities are not contrary to the Shariah will be classified as Shariah-compliant securities. On the other hand, companies will be classified as Shariah non-compliant if they are involved in the following core business activities:</u></p> <ul style="list-style-type: none"> • <u>Conventional financial services;</u> • <u>Gambling and gaming;</u> • <u>Manufacture or sale of non-halal products or related products (e.g. pork and liquor);</u> • <u>Manufacture or sale of tobacco-based products or related products;</u> • <u>Pornography;</u> • <u>Weaponry;</u> • <u>Entertainment activities that are not permitted by the Shariah; and</u> • <u>Other activities considered non-permissible according to the Shariah.</u> |
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b) **Mixed Business Activities Analysis**

For companies with activities comprising both permissible and non-permissible elements, the Shariah Adviser will apply the following analysis in determining the Shariah-compliant status:

• **Quantitative Analysis**

The Shariah Adviser takes into account the following parameters in determining the Shariah status of the listed companies:

- Contribution of interest income to the total income is lower than 5% of the total income.
- Total debt of the companies (including all interest-bearing loans/debentures and their respective payables such as short term/long term debts, short term/long term debentures and all debentures payables) is lower than 30% of the total assets of the companies;
- Total sum of companies' cash and receivables is lower than 50% of its total assets;
- Total sum of companies' cash and interest-bearing securities is lower than 30% of its total assets; and
- Income generated from other prohibited components from Shariah perspective is lower than 5% of the companies' total income.

Should any of the above deductions fail to meet the benchmarks, the Shariah Adviser will not accord Shariah-compliant status for the companies.

• **Qualitative Analysis**

Companies which have passed the above quantitative test will be further subjected to qualitative screening before the equities of such companies can be classified as Shariah-compliant. In this secondary analysis, the Shariah Adviser will look into aspects of general public perception of the companies' images, core businesses which are considered important and *maslahah* (beneficial) to the Muslim ummah and the country, the non-permissible elements are very small and involve matters like *umum balwa* (common plight and difficult to avoid), *'uru'* (custom) and rights of the non-Muslim community which are accepted by the Shariah.

2. **Sukuk**

The Funds' investments in local sukuk will be selected from the list of sukuk approved or authorised by, or lodged with, the SC. The Shariah Adviser will review based on the data available at the websites of the SC and/or Bank Negara Malaysia.

The Funds' investments in foreign sukuk will be selected after consultation with the Shariah Adviser. The Shariah Adviser would accept resolutions and/or rulings as decided by the respective Shariah advisors for the instruments, prospectus or information memorandum of the sukuk and resolutions and/or rulings and/or pronouncements by the respective Shariah advisors for the instruments must be presented to the Shariah Adviser for notification and due diligence.

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| <p>Sukuk and Islamic Money Market Instruments:</p> <p>KIBB Shariah Committee will select any sukuk and/or Islamic money market instruments based on the data available at Bond Info Hub (www.bondinfo.bnm.gov.my) and Fully Automated System For Issuing/Tendering (https://fast.bnm.gov.my).</p> <p>Collective Investment Scheme</p> <p>The collective investment schemes shall be Islamic collective investment schemes.</p> <p>Liquid Asset</p> <p>The investment in liquid assets shall be in Islamic liquid assets.</p> <p><u>Investment in Foreign Market</u></p> <p>Equity:</p> <p>Reference for investment in foreign securities is based on the Dow Jones Islamic Market Indices Methodology.</p> <p><u>Sector-Based Screens</u></p> <p>Based on the Shariah Supervisory Board established parameters, the businesses listed below are inconsistent with Shariah law. The majority of Shariah scholars and boards hold that these industries and their financial instruments are inconsistent with Shariah precepts and hence are not suitable for Islamic investment purposes. Although no universal consensus exists among contemporary Shariah scholars on the prohibition of tobacco companies and the defense industry, most Shariah boards have advised against investment in companies involved in these activities. Income from the following impure sources cannot exceed 5% of revenue.</p> <ul style="list-style-type: none"> • Alcohol • Tobacco • Pork-related products • Conventional financial services (banking, insurance, etc.) • Weapons and defense • Entertainment (hotels, casinos/gambling, cinema, pornography, music, etc.) <p>Companies classified as Financial (8000) according to a unique proprietary classification system are considered eligible if the company is incorporated as an Islamic Financial Institution, such as:</p> <ul style="list-style-type: none"> • Islamic Banks • Takaful Insurance Companies <p>Companies classified as Real Estate (8600) according to a unique proprietary classification system are considered eligible if the company's operations and properties are conducting business according to Shariah principles</p> <p><u>Accounting-Based Screens</u></p> <p>After removing companies with unacceptable primary business activities, the remaining stocks are evaluated according to several financial ratio filters. The filters are based on criteria set up by the Shariah Supervisory Board to remove companies with unacceptable levels of debt or impure interest income.</p> <p>All of the following must be less than 33%:</p> <ul style="list-style-type: none"> • Total debt divided by trailing 24-month average market capitalization | <p>3. <u>Islamic Deposits and Islamic Money Market Instruments</u></p> <p><u>The Funds can invest in Islamic deposits and Islamic money market instruments issued by financial institutions that are acceptable as Shariah-compliant or those Islamic deposits and Islamic money market instruments that have been approved by SACBNM.</u></p> <p><u>The Funds are prohibited from investing in interest-bearing deposits and recognizing any interest income.</u></p> <p>4. <u>Islamic Collective Investment Schemes</u></p> <p><u>The Funds can invest in local and foreign Islamic collective investment schemes available in the market. The local Islamic collective investment schemes must be approved by the SC. For foreign Islamic collective investment schemes, it must be approved by the Shariah adviser of that respective Islamic collective investment schemes.</u></p> <p>5. <u>Any other Shariah-compliant instruments</u></p> <p><u>For avoidance of doubt, any Shariah-compliant instruments which are not within the approved list above should be informed to the Shariah Adviser for the Shariah Adviser's approval. Where the Shariah Adviser request a change to the Shariah investment guidelines, it shall give the PRS Provider a reasonable period of time to effect such change in the Disclosure Document in accordance with the requirements of any applicable law and regulation.</u></p> |
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| <ul style="list-style-type: none"> • The sum of a company's cash and interest-bearing securities divided by trailing 24-month average market capitalization • Accounts receivables divided by trailing 24-month average market capitalization <p>Stocks deemed compliant at the prior evaluation period that exceed the maximum ratio for any accounting-based screen at the current evaluation period remain compliant if the ratio is within two percentage points of the maximum allowed. However, if the maximum is breached for three consecutive evaluation periods the stock will be deemed non-compliant. If any of the ratios are above the two percentage point buffer limit, the stock is deemed non-compliant immediately.</p> <p>Stocks deemed non-compliant at the prior evaluation period that pass all accounting-based screens at the current evaluation period remain non-compliant if any ratio is within two percentage points of the maximum allowed. However, if the stock satisfies all three ratios for three consecutive evaluation periods the stock will be deemed compliant. If all three ratios are below the two percentage point buffer limit, the stock is deemed compliant immediately.</p> <p>Companies passing the sector-based and accounting-based screens may be included as index constituents of the Dow Jones Islamic Market™ Indices.</p> <p>2. Cleansing Process for the Funds</p> <p>(a) Wrong Investment</p> <p>This refers to Shariah non-compliant investment made by the Funds. The said investment will be disposed of/withdrawn with immediate effect or within a month of knowing the status of the investment. In the event of the investment resulted in gain (through capital gain and/or dividend/profit) received before or after the disposal of the investment, the gain is to be channelled to <i>baitulmal</i> and/or any other charitable bodies as advised by the Shariah Adviser. If the disposal of the investment results in losses to the Funds, the losses are to be borne by the PRS Provider.</p> <p>(b) Reclassification of Shariah Status of the Fund's Investment</p> <p>Reclassification of Shariah status refers to securities which are reclassified as Shariah non-compliant by the SACSC, the Shariah Adviser or the Shariah Boards of the relevant Islamic indices. The said securities will be disposed as soon as practicable, if at the time of the announcement/review, the total amount of dividends received and the market value held exceeds or equals to the investment costs.</p> <p>Any dividends received and capital gains arising from the disposal of the Shariah non-compliant securities made at the time of the announcement/review can be kept by the Funds. However, any dividends received and excess capital gains derived from the disposal after the announcement/review at a market price that is higher than the closing price on the announcement day is to be channelled to <i>baitulmal</i> and/or any charitable bodies as advised by the Shariah Adviser.</p> <p>On the other hand, the Fund is allowed to hold the Shariah non-compliant securities if the market price of the said securities is below the investment cost. It is also permissible for the Fund to keep the dividends received during the holding period until such time when the total amount of the dividends received and the market value of the Shariah non-compliant securities held equal the investment cost. At this stage, the Fund is advised to dispose of their holdings.</p> <p>3. Zakat (tithe) for the Funds</p> | <p>Cleansing Process for the Fund</p> <p>a) Wrong Investment</p> <p>This refers to Shariah non-compliant investment made by the PRS Provider. The said investment will be disposed of/withdrawn with immediate effect, <u>if possible</u>, or otherwise within <u>one (1)</u> month of knowing the status of the <u>securities</u>. In the event of the investment resulted in gain (through capital gain, dividend and/or profit) received before or after the <u>disposal</u>, the gain is to be channelled to <u>baitulmal and/or</u> any other charitable bodies as advised by the Shariah Adviser. <u>The Funds have a right to retain only the investment cost</u>. If the disposal of the investment resulted in losses to the Funds, the losses are to be borne by the PRS Provider.</p> <p><u>Note: investment cost may include brokerage cost or other related transaction cost.</u></p> <p>b) Reclassification of Shariah Status of the Funds' Investment</p> <p><u>This refers to securities which were earlier classified as Shariah-compliant but due to certain factors, such as changes in the company's business operations and financial positions, are subsequently reclassified as Shariah non-compliant.</u></p> <p><u>In this regard, if on the announcement or review date, the market value of the securities exceeds or is equal to the investment cost, the Shariah non-compliant securities must be disposed of.</u> Any dividends received up to the date of the announcement or review and capital gains arising from the disposal of Shariah non-compliant securities on the date of the announcement/review can be kept by the Funds.</p> <p><u>However</u>, any dividends received and excess capital gains derived from the disposal of Shariah non-compliant securities after the date of the announcement or review are to be channelled to <i>baitulmal</i> and/or any charitable bodies as advised by the Shariah Adviser.</p> <p>On the other hand, the <u>Funds are</u> allowed to hold <u>its investment</u> in the Shariah non-compliant securities if the market <u>value</u> of the said securities is below the investment cost. It is also permissible for the <u>Funds</u> to keep the dividends received during the holding period until such time when the total amount of dividends received and the market value of the Shariah non-compliant securities held <u>are equal to</u> the investment cost. At this stage, the <u>Funds will</u> dispose of <u>its holding</u> in the Shariah non-compliant securities.</p> <p>Zakat for the Funds</p> |
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| <p>The Funds do not pay zakat on behalf of Muslim individuals and Islamic legal entities who are investors of the Funds. Thus, Members are advised to pay zakat on their own.</p> <p>The Shariah Adviser confirms that the investment portfolio of the Funds will comprise instruments that have been classified as Shariah-compliant by the SACSC or the Shariah Advisory Council of BNM. For instruments that are not classified as Shariah-compliant by the SACSC or the Shariah Advisory Council of BNM, they have reviewed and determined the Shariah status of the said instruments in accordance with the ruling issued by the Shariah Adviser.</p> | <p>The Funds do not pay zakat on behalf of Muslim individuals and Islamic legal entities who are <u>Members</u> of the Funds. Thus, the Members are advised to pay zakat on their own.</p> |
| <p>26. CHAPTER 7: FEES, CHARGES AND EXPENSES, Section 7.4 The Expenses of the Fund</p> <p>Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) the following:</p> <ul style="list-style-type: none"> • Commissions or fees paid to brokers or dealers in effecting dealings in the Shariah-compliant investments of the Fund, shown on the contract notes or confirmation notes; • (where the custodial function is delegated by the Scheme Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund; • Taxes and other duties imposed on the Fund by the Malaysian government and/or other authorities; • Auditor's fees and expenses; • Valuation fees incurred for the valuation of the Shariah-compliant of the Fund by independent valuers for the benefit of the Fund; • Independent investment committee members' fee; • Tax adviser's fee; • Shariah adviser's fee; • Costs for modification of the Deed other than those for the benefit of the PRS Provider and/or the Scheme Trustee; • Costs incurred for meetings of the Members other than those convened by, or for the benefit of, the PRS Provider and/or Scheme Trustee; and • Any other expenses as may be allowed under the Deed. | <p>CHAPTER 7: FEES, CHARGES AND EXPENSES, Section 7.4 The Expenses of the Fund</p> <p>Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) the following:</p> <ul style="list-style-type: none"> • <u>commissions or fees paid to brokers or dealers in effecting dealings in the Shariah-compliant investments of the Fund, shown on the contract notes or confirmation notes;</u> • (where the custodial function is delegated by the Scheme Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund; • taxes and other duties <u>charged</u> on the Fund by the Malaysian government and/or other authorities; • <u>auditor's fees and expenses;</u> • <u>fees incurred for the valuation of any investment of the Funds;</u> • <u>remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Funds, unless the PRS Provider decides otherwise;</u> • <u>costs, fees and expenses incurred in engaging any adviser for the benefit of the Funds;</u> • costs for modification of the Deed other than those for the benefit of the PRS Provider <u>or</u> the Scheme Trustee; • <u>costs</u> incurred for meetings of Members other than those convened by, or for the benefit of, the PRS Provider <u>or</u> the Scheme Trustee; and • <u>any</u> other fees and expenses as may be allowed under the Deed. |
| <p>27. CHAPTER 7: FEES, CHARGES AND EXPENSES, Section 7.5 Soft Commissions and Rebates Policy</p> <p>It is the policy of the PRS Provider to credit any rebates received into the account of the Fund. Soft commissions are retained by the PRS Provider for purchasing goods and services that are of demonstrable benefit to the Members of the Fund, and are in the form of research and advisory services that assist in the decision-making process relating to the investment of the Fund (i.e. Bloomberg Anywhere and Bloomberg terminal subscriptions).</p> <p>Any dealing with the broker or dealer is executed on terms which are the most favourable for the Funds.</p> | <p>CHAPTER 7: FEES, CHARGES AND EXPENSES, Section 7.5 Soft Commissions and Rebates Policy</p> <p>It is the policy of the PRS Provider to credit any rebates received into the account of the Fund.</p> <p><u>Goods and services ("soft commissions") provided by any broker or dealer may be retained by the PRS Provider or its delegate if:</u></p> <p>(a) <u>the soft commissions bring direct benefit or advantage to the management of the Funds and may include research and advisory services;</u></p> <p>(b) <u>any dealings with the broker/dealer for the Funds are executed on terms which are the most favourable for the Funds; and</u></p> <p>(c) <u>the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and the PRS Provider or its delegate must not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.</u></p> |
| <p>28. CHAPTER 8: TRANSACTION INFORMATION, Section 8.5 Withdrawal from the Scheme, 8.5.2 Pre-retirement withdrawal</p> <p>Assuming that the NAV per Unit of Kenanga Shariah OnePRS Growth Fund is RM0.5000 at the end of Business Day. If a Member redeems 2,000 Units from the Member's sub-account B of Kenanga Shariah OnePRS Growth Fund at the NAV per Unit of RM0.5000 per Unit, the Member shall receive a redemption amount of RM895.00* from their sub-account B within 10 calendar days.</p> | <p>CHAPTER 8: TRANSACTION INFORMATION, Section 8.5 Withdrawal from the Scheme, 8.5.2 Pre-retirement withdrawal</p> <p>Assuming that the NAV per Unit of Kenanga Shariah OnePRS Growth Fund is RM0.5000 at the end of Business Day <u>on which the PRS Provider receives the withdrawal request or authorisation from the PPA, as the case may be.</u> If a Member redeems 2,000 Units from the Member's sub-account B of Kenanga Shariah OnePRS Growth Fund at the NAV per Unit of RM0.5000 per Unit, the Member shall receive a redemption amount of RM895.00* from their sub-account B within <u>seven (7) Business Days from the day the PRS Provider receives the withdrawal request or authorisation from the PPA, as the case may be.</u></p> |

| | -Illustration- | | -Illustration- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----|--|--|---|-------------------------------|----------------------|-----|------------------------------|---|---------|-----|---|-----|---|-----|---|---|---------|-----|-------------------|--|---|--|-----|-----------------------------|-------------------------------|----------------------|-----|------------------------------|--|---------|-----|---|-----|---|-----|---|--|---------|-----|-------------------|---|--|
| 29. | <p>CHAPTER 8: TRANSACTION INFORMATION, Section 8.5 Withdrawal from the Scheme, 8.5.3 Retirement Withdrawal, second paragraph</p> <p>Assuming that the NAV per Unit of Kenanga Shariah OnePRS Growth Fund is RM0.5000. If a Member redeem 2,000 Units from Kenanga OnePRS Growth Fund account at the NAV per Unit of RM0.5000 per Unit, the Member shall receive a redemption amount of RM1,000* from the Member's Shariah OnePRS account within 10 calendar days after the PRS Provider has received and accepted the Member redemption request.</p> <p>-Illustration-</p> | <p>CHAPTER 8: TRANSACTION INFORMATION, Section 8.5 Withdrawal from the Scheme, 8.5.3 Retirement Withdrawal, second paragraph</p> <p>Assuming that the NAV per Unit of Kenanga Shariah OnePRS Growth Fund is RM0.5000. If a Member redeemg 2,000 Units from Kenanga <u>Shariah</u> OnePRS Growth Fund account at the NAV per Unit of RM0.5000 per Unit, the Member shall receive a redemption amount of RM1,000.00* from the Member's Shariah OnePRS account within <u>seven (7) Business Days</u> after the PRS Provider has received and accepted the Member redemption request.</p> <p>-Illustration-</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 30. | <p>CHAPTER 8: TRANSACTION INFORMATION, Section 8.6 Payment of Withdrawal Proceeds, second paragraph</p> <p>The PRS Provider must pay the proceeds of the repurchase of Units in accordance with the following:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Circumstances of withdrawal</th> <th>Period for payment to be made</th> <th>Recipient of payment</th> </tr> </thead> <tbody> <tr> <td>(a)</td> <td>Upon reaching retirement age</td> <td rowspan="3">Within 10 days after the PRS Provider received a completed withdrawal request from Member</td> <td rowspan="3">Members</td> </tr> <tr> <td>(b)</td> <td>Pre-retirement withdrawals from sub-account B</td> </tr> <tr> <td>(c)</td> <td>Permanent departure of Member from Malaysia</td> </tr> <tr> <td>(d)</td> <td>Due to permanent total disablement, serious disease and mental disability of a Member</td> <td>Within 10 days after the PRS Provider received a completed withdrawal request (either received directly or through a notification from the PPA)</td> <td>Members</td> </tr> <tr> <td>(e)</td> <td>Death of a Member</td> <td>Within 10 days after the PRS Provider received an authorisation from the PPA</td> <td>(i) Either a nominee, trustee, executor, or administrat or of a deceased Member (ii) Notwithstand ing paragraph (i), the PRS Provider may pay the accrued benefits to the nominee as stipulated in the Guidelines.</td> </tr> </tbody> </table> | No. | Circumstances of withdrawal | Period for payment to be made | Recipient of payment | (a) | Upon reaching retirement age | Within 10 days after the PRS Provider received a completed withdrawal request from Member | Members | (b) | Pre-retirement withdrawals from sub-account B | (c) | Permanent departure of Member from Malaysia | (d) | Due to permanent total disablement, serious disease and mental disability of a Member | Within 10 days after the PRS Provider received a completed withdrawal request (either received directly or through a notification from the PPA) | Members | (e) | Death of a Member | Within 10 days after the PRS Provider received an authorisation from the PPA | (i) Either a nominee, trustee, executor, or administrat or of a deceased Member (ii) Notwithstand ing paragraph (i), the PRS Provider may pay the accrued benefits to the nominee as stipulated in the Guidelines. | <p>CHAPTER 8: TRANSACTION INFORMATION, Section 8.6 Payment of Withdrawal Proceeds, second paragraph</p> <p>The PRS Provider must pay the proceeds of the repurchase of Units in accordance with the following:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Circumstances of withdrawal</th> <th>Period for payment to be made</th> <th>Recipient of payment</th> </tr> </thead> <tbody> <tr> <td>(a)</td> <td>Upon reaching retirement age</td> <td rowspan="3">Within <u>Z Business Days</u> after the PRS Provider received a completed withdrawal request from Member</td> <td rowspan="3">Members</td> </tr> <tr> <td>(b)</td> <td>Pre-retirement withdrawals from sub-account B</td> </tr> <tr> <td>(c)</td> <td>Permanent departure of Member from Malaysia</td> </tr> <tr> <td>(d)</td> <td>Due to permanent total disablement, serious disease and mental disability of a Member</td> <td>Within <u>Z Business Days</u> after the PRS Provider received a completed withdrawal request (either received directly or through a notification from the PPA)</td> <td>Members</td> </tr> <tr> <td>(e)</td> <td>Death of a Member</td> <td>Within <u>Z Business days</u> after the PRS Provider received an authorisation from the PPA</td> <td>(i) Either a nominee, trustee, executor, or administrat or of a deceased Member (ii) Notwithsta nding paragraph (i), the PRS Provider may pay the accrued benefits to the nominee as stipulated</td> </tr> </tbody> </table> | No. | Circumstances of withdrawal | Period for payment to be made | Recipient of payment | (a) | Upon reaching retirement age | Within <u>Z Business Days</u> after the PRS Provider received a completed withdrawal request from Member | Members | (b) | Pre-retirement withdrawals from sub-account B | (c) | Permanent departure of Member from Malaysia | (d) | Due to permanent total disablement, serious disease and mental disability of a Member | Within <u>Z Business Days</u> after the PRS Provider received a completed withdrawal request (either received directly or through a notification from the PPA) | Members | (e) | Death of a Member | Within <u>Z Business days</u> after the PRS Provider received an authorisation from the PPA | (i) Either a nominee, trustee, executor, or administrat or of a deceased Member (ii) Notwithsta nding paragraph (i), the PRS Provider may pay the accrued benefits to the nominee as stipulated |
| No. | Circumstances of withdrawal | Period for payment to be made | Recipient of payment | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (a) | Upon reaching retirement age | Within 10 days after the PRS Provider received a completed withdrawal request from Member | Members | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (b) | Pre-retirement withdrawals from sub-account B | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (c) | Permanent departure of Member from Malaysia | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (d) | Due to permanent total disablement, serious disease and mental disability of a Member | Within 10 days after the PRS Provider received a completed withdrawal request (either received directly or through a notification from the PPA) | Members | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (e) | Death of a Member | Within 10 days after the PRS Provider received an authorisation from the PPA | (i) Either a nominee, trustee, executor, or administrat or of a deceased Member (ii) Notwithstand ing paragraph (i), the PRS Provider may pay the accrued benefits to the nominee as stipulated in the Guidelines. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| No. | Circumstances of withdrawal | Period for payment to be made | Recipient of payment | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (a) | Upon reaching retirement age | Within <u>Z Business Days</u> after the PRS Provider received a completed withdrawal request from Member | Members | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (b) | Pre-retirement withdrawals from sub-account B | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (c) | Permanent departure of Member from Malaysia | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (d) | Due to permanent total disablement, serious disease and mental disability of a Member | Within <u>Z Business Days</u> after the PRS Provider received a completed withdrawal request (either received directly or through a notification from the PPA) | Members | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (e) | Death of a Member | Within <u>Z Business days</u> after the PRS Provider received an authorisation from the PPA | (i) Either a nominee, trustee, executor, or administrat or of a deceased Member (ii) Notwithsta nding paragraph (i), the PRS Provider may pay the accrued benefits to the nominee as stipulated | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | (f) | For housing purpose | Within 10 days after the PRS Provider received completed withdrawal request | Members' account or joint housing loan account | | | | in the Guidelines. |
| | (g) | For healthcare purpose | Within 10 days after the PRS Provider received a completed withdrawal request | Members | | | | Members' account or joint housing loan account |
| | (f) | For housing purpose | Within <u>7 Business Days</u> after the PRS Provider received a completed withdrawal request | | | | | Members' account or joint housing loan account |
| | (g) | For healthcare purpose | Within <u>7 Business Days</u> after the PRS Provider received a completed withdrawal request | | | | | Members |
| 31. | CHAPTER 8: TRANSACTION INFORMATION, Section 8.11 Cooling-Off , second paragraph | | | | CHAPTER 8: TRANSACTION INFORMATION, Section 8.11 Cooling-Off , second paragraph | | | |
| | <p>After a Member has requested for a refund within the cooling-off period, the Member will receive the total refund as per their Cooling-off right (please refer to below example) within ten (10) calendar days upon receiving PPA's authorisation, subject to the clearance of the Member's cheque by the bank. Please note that this Cooling-off right is not applicable to the following types of Member:</p> <ul style="list-style-type: none"> • Staff of the PRS Provider; or • A person registered with a body approved by the SC to deal in private retirement schemes. | | | | <p>After a Member has requested for a refund within the cooling-off period, the Member will receive the total refund as per their Cooling-off right (please refer to below example) within <u>seven (7) Business Days</u> upon receiving PPA's authorisation, subject to the clearance of the Member's cheque by the bank.</p> <p><u>The refund to the Member pursuant to the exercise of his cooling-off right must be as follows:</u></p> <ol style="list-style-type: none"> 1. <u>the NAV per Unit at the point of the exercise of the cooling-off right ("market price"), if the NAV per Unit on the day the Units were purchased ("original price") is higher than the market price; or</u> 2. <u>the original price, if the market price is higher than the original price.</u> <p><u>If the market price is higher than the original price paid by the Member, the PRS Provider may agree to pay the Member the excess amount, provided that such amount is not paid out of the Funds or the assets of the Funds.</u></p> <p><u>The PRS Provider must also refund the sales charge originally imposed on the day the Units were purchased.</u></p> <p>Please note that the Cooling-off right is not applicable to the following types of Member:</p> <ul style="list-style-type: none"> • Staff of the PRS Provider; or • A person registered with a body approved by the SC to deal in private retirement schemes. | | | |
| 32. | Nil. | | | | CHAPTER 8: TRANSACTION INFORMATION, Section 8.14 Suspension of Dealings in Units <p>The PRS Provider may, in consultation with the Scheme Trustee and having considered the interests of the Members, suspend the dealing in Units due to exceptional circumstances, where there is good and sufficient reason to do so (e.g. where the market value or fair value of a material portion of a Fund's assets cannot be determined).</p> <p>The PRS Provider will cease the suspension as soon as practicable after the aforesaid circumstances has ceased, and in any event within 21 days of commencement of suspension. The period of suspension may be extended if the PRS Provider satisfies the Scheme Trustee that it is in the best interest of Members for the dealing in Units to remain suspended. Such suspension will be subject to weekly review by the Scheme Trustee.</p> <p>Any repurchase request received by the PRS Provider during the suspension period will only be accepted and processed on the next Business Day after the cessation of suspension of the Fund. In such cases, Members will be compelled to remain invested in the Fund for a longer period of time than the stipulated repurchase timeline. Hence, their investments will continue to be subjected to the risk factors inherent to the Fund.</p> | | | |

| | | Where such suspension is triggered, the PRS Provider will inform all Members in a timely and appropriate manner of its decision to suspend the dealing in Units. | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|-------------|-------------------------------|---|-------------------------|----------------------|-------------------|----------------------|------------------------------|----------------------|-------------------------|----------------------|------------------------|--------------------|--|-------|-------------|--------------------------------|---|------------------------------|---|-------------------------------|---|------------------------------|--|--|--|
| 33. | <p>CHAPTER 9: THE PRS PROVIDER: KENANGA INVESTORS BERHAD ("KIB"), Section 9.2 Board of Directors</p> <table border="1"> <thead> <tr> <th>Names</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>Datuk Syed Ahmad Alwee Alsree</td> <td>Chairman/Non-Independent Non-Executive Director</td> </tr> <tr> <td>Syed Zafilen Syed Alwee</td> <td>Independent Director</td> </tr> <tr> <td>Peter John Rayner</td> <td>Independent Director</td> </tr> <tr> <td>Imran Devindran bin Abdullah</td> <td>Independent Director</td> </tr> <tr> <td>Norazian Ahmad Tajuddin</td> <td>Independent Director</td> </tr> <tr> <td>Ismitz Mathew De Alwis</td> <td>Executive Director</td> </tr> </tbody> </table> | Names | Designation | Datuk Syed Ahmad Alwee Alsree | Chairman/Non-Independent Non-Executive Director | Syed Zafilen Syed Alwee | Independent Director | Peter John Rayner | Independent Director | Imran Devindran bin Abdullah | Independent Director | Norazian Ahmad Tajuddin | Independent Director | Ismitz Mathew De Alwis | Executive Director | <p>CHAPTER 9: THE PRS PROVIDER: KENANGA INVESTORS BERHAD ("KIB"), Section 9.2 Board of Directors</p> <table border="1"> <thead> <tr> <th>Names</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td><u>Choy Khai Choon, Steven</u></td> <td>Chairman/Non-Independent Non-Executive Director</td> </tr> <tr> <td>Imran Devindran Bin Abdullah</td> <td>Independent <u>Non-Executive</u> Director</td> </tr> <tr> <td>Norazian Binti Ahmad Tajuddin</td> <td>Independent <u>Non-Executive</u> Director</td> </tr> <tr> <td><u>Luk Wai Hong, William</u></td> <td><u>Non-Independent</u> <u>Non-Executive Director</u></td> </tr> <tr> <td><u>Datuk Wira</u> Ismitz Mathew De Alwis</td> <td>Executive Director/<u>Chief Executive Officer</u></td> </tr> </tbody> </table> | Names | Designation | <u>Choy Khai Choon, Steven</u> | Chairman/Non-Independent Non-Executive Director | Imran Devindran Bin Abdullah | Independent <u>Non-Executive</u> Director | Norazian Binti Ahmad Tajuddin | Independent <u>Non-Executive</u> Director | <u>Luk Wai Hong, William</u> | <u>Non-Independent</u> <u>Non-Executive Director</u> | <u>Datuk Wira</u> Ismitz Mathew De Alwis | Executive Director/ <u>Chief Executive Officer</u> |
| Names | Designation | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Datuk Syed Ahmad Alwee Alsree | Chairman/Non-Independent Non-Executive Director | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Syed Zafilen Syed Alwee | Independent Director | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Peter John Rayner | Independent Director | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Imran Devindran bin Abdullah | Independent Director | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Norazian Ahmad Tajuddin | Independent Director | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ismitz Mathew De Alwis | Executive Director | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Names | Designation | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Choy Khai Choon, Steven</u> | Chairman/Non-Independent Non-Executive Director | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Imran Devindran Bin Abdullah | Independent <u>Non-Executive</u> Director | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Norazian Binti Ahmad Tajuddin | Independent <u>Non-Executive</u> Director | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Luk Wai Hong, William</u> | <u>Non-Independent</u> <u>Non-Executive Director</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Datuk Wira</u> Ismitz Mathew De Alwis | Executive Director/ <u>Chief Executive Officer</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 34. | <p>CHAPTER 9: THE PRS PROVIDER: KENANGA INVESTORS BERHAD ("KIB"), Section 9.5 Investment Committee</p> <p>The investment committee's roles and responsibilities include the following:</p> <ol style="list-style-type: none"> ensuring the funds of our clients, PRS members and unit holders are managed in accordance with the respective: <ul style="list-style-type: none"> relevant regulatory requirements; investment objectives as stated in disclosure document/prospectus/ information memorandum & deed or investment management agreements; and internal investment restrictions and policies. select appropriate strategies to achieve the proper performance of the fund in accordance with the fund management policies; ensure that the strategies selected are properly and efficiently implemented by the PRS Provider or the fund manager; and actively monitor, measure and evaluate the fund management performance of the PRS Provider or the fund manager. <p>The investment committee meets four times yearly or as circumstances require.</p> | Deleted. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 35. | <p>CHAPTER 9: THE PRS PROVIDER: KENANGA INVESTORS BERHAD ("KIB"), Section 9.6 Audit and Risk Committee, third paragraph</p> <p>The audit and risk committee comprises the following members:</p> <p>Syed Zafilen Syed Alwee (Chairman/Independent Member) -Profile of Syed Zafilen Syed Alwee-</p> <p>Imran Devindran bin Abdullah (Independent Member) -Profile of Imran Devindran Abdullah-</p> <p>Peter John Rayner (Independent Member) -Profile of Peter John Rayner-</p> <p>Norazian Ahmad Tajuddin (Independent Member) -Profile of Norazian Ahmad Tajuddin-</p> | <p>CHAPTER 9: THE PRS PROVIDER: KENANGA INVESTORS BERHAD ("KIB"), Section 9.6 Audit and Risk Committee, third paragraph</p> <p>The audit and risk committee comprises of the following members:</p> <p>Imran Devindran bin Abdullah (Chairman/Independent Member) -Profile of Imran Devindran Abdullah <u>has been updated</u>-. Norazian Ahmad Tajuddin (Independent Member) -Profile of Norazian Ahmad Tajuddin <u>has been updated</u>-. Luk Wai Hong, William (Independent Member) -Profile of Luk Wai Hong, William-</p> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 36. | <p>CHAPTER 10: SCHEME TRUSTEE, Section 10.1 – Trustee's Background and Experience</p> <p>CIMB Islamic Trustee Berhad was incorporated on 19 January 1988 and registered as a trust company under the Trust Companies Act, 1949 and having its registered office at Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia. The Scheme Trustee is qualified to act as a trustee for collective investment schemes approved under the Capital Markets and Services Act 2007.</p> <p>CIMB Islamic Trustee Berhad has been involved in unit trust industry as trustee since 1990. It acts as Trustee to various unit trust funds, real estate investment trusts, wholesale funds, private retirement schemes and exchange traded funds.</p> <p>As at 30 September 2020, CIMB Islamic Trustee Berhad acts as trustee to thirty-one (31) unit trust funds, fifteen (15) wholesale funds,</p> | <p>CHAPTER 10: SCHEME TRUSTEE, Section 10.1 – Trustee's Background and Experience</p> <p>CIMB Islamic Trustee Berhad was incorporated on 19 January 1988 and registered as a trust company under the Trust Companies Act, 1949 and having its registered office at Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia. The Scheme Trustee is qualified to act as a trustee for collective investment schemes approved under the Capital Markets and Services Act 2007.</p> <p>CIMB Islamic Trustee Berhad has been involved in unit trust industry as trustee since 1990. It acts as <u>trustee</u> to various unit trust funds, real estate investment trusts, wholesale funds, private retirement schemes and exchange traded funds.</p> <p>As at <u>31 July 2023</u>, CIMB Islamic Trustee Berhad acts as trustee to <u>thirty-seven (37)</u> unit trust funds, <u>thirteen (13)</u> wholesale funds, and <u>(2)</u> private retirement <u>schemes</u> (consisting of <u>eight (8)</u> funds) and</p> | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | two (2) private retirement scheme (consisting of seven (7) funds) and one (1) exchanged traded fund. | <u>two (2) exchanged traded funds.</u> | | | | | | | | | | | | | | |
|----------------------------------|---|---|--|----------------------------------|---------------------------------------|------------------|---|--|------|--------------|------------------|---|----------------------------|------------------------------------|------------------------------|--|
| 37. | <p>CHAPTER 10: SCHEME TRUSTEE, Section 10.2 - Summary of CIMB Islamic Trustees Berhad's Financial Position</p> <p>Summary of the Scheme Trustee's financial figures for the past 3 years and the unaudited financial results for the financial period ended 31 December 2019 are summarised below:</p> <p>-Table on the financial figures-</p> | <p>CHAPTER 10: SCHEME TRUSTEE, Section 10.2 - Summary of CIMB Islamic Trustees Berhad's Financial Position</p> <p>Summary of the Scheme Trustee's financial figures for the past 3 <u>years</u> are summarised below:</p> <p>-Table on financial figures <u>has been updated to include the figures for year 31 December 2022, 31 December 2021 and 31 December 2020.</u></p> | | | | | | | | | | | | | | |
| 38. | <p>CHAPTER 10: SCHEME TRUSTEE, Section 10.3 – Board of Directors</p> <table border="0"> <tr> <td>1. Zahardin bin Oмарdin</td> <td>- Independent Director and Chairman, Non-Executive</td> </tr> <tr> <td>2. Hussam Mohammad Kassim Sultan</td> <td>- Non-Independent Director, Executive</td> </tr> <tr> <td>3. Lee Kooi Yoke</td> <td>- Non-Independent Director, Executive (Chief Executive Officer)</td> </tr> </table> | 1. Zahardin bin Oмарdin | - Independent Director and Chairman, Non-Executive | 2. Hussam Mohammad Kassim Sultan | - Non-Independent Director, Executive | 3. Lee Kooi Yoke | - Non-Independent Director, Executive (Chief Executive Officer) | <p>CHAPTER 10: SCHEME TRUSTEE, Section 10.3 – Board of Directors</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Directorship</th> </tr> </thead> <tbody> <tr> <td>Zahardin Oмарdin</td> <td>Independent Non-Executive Director (Chairman)</td> </tr> <tr> <td>Ahamed Usman Thahir Ghouse</td> <td>Non-Independent Executive Director</td> </tr> <tr> <td>Datin Ezreen Eliza Zulkiplee</td> <td>Non-Independent Executive Director/Chief Officer</td> </tr> </tbody> </table> | Name | Directorship | Zahardin Oмарdin | Independent Non-Executive Director (Chairman) | Ahamed Usman Thahir Ghouse | Non-Independent Executive Director | Datin Ezreen Eliza Zulkiplee | Non-Independent Executive Director/Chief Officer |
| 1. Zahardin bin Oмарdin | - Independent Director and Chairman, Non-Executive | | | | | | | | | | | | | | | |
| 2. Hussam Mohammad Kassim Sultan | - Non-Independent Director, Executive | | | | | | | | | | | | | | | |
| 3. Lee Kooi Yoke | - Non-Independent Director, Executive (Chief Executive Officer) | | | | | | | | | | | | | | | |
| Name | Directorship | | | | | | | | | | | | | | | |
| Zahardin Oмарdin | Independent Non-Executive Director (Chairman) | | | | | | | | | | | | | | | |
| Ahamed Usman Thahir Ghouse | Non-Independent Executive Director | | | | | | | | | | | | | | | |
| Datin Ezreen Eliza Zulkiplee | Non-Independent Executive Director/Chief Officer | | | | | | | | | | | | | | | |
| 39. | <p>CHAPTER 10: SCHEME TRUSTEE, Section 10.8 – Scheme Trustee's Delegate</p> <p>The Scheme Trustee has delegated its custodian function to CIMB Islamic Bank Berhad (CIMB Islamic Bank). CIMB Islamic Bank's ultimate holding company is CIMB Group Holdings Berhad, a listed company on Bursa Malaysia. CIMB Islamic Bank provides full fledged custodial services, typically clearing settlement and safekeeping of all types of investment assets and classes, to a cross section of investors and intermediaries client base, both locally and overseas.</p> <p>For the local Ringgit assets, they are held through its wholly owned nominee subsidiary CIMB Islamic Nominees (Tempatan) Sdn Bhd. For foreign non-Ringgit assets, CIMB Islamic Bank appoints global custodian as its agent bank to clear, settle and safekeep on its behalf and to its order.</p> <p>All investments are automatically registered in the name of the custodian to the order of the Scheme Trustee. CIMB Islamic Bank acts only in accordance with instructions from the Scheme Trustee.</p> | <p>CHAPTER 10: SCHEME TRUSTEE, Section 10.8 – Scheme Trustee's Delegate</p> <p>The Scheme Trustee has delegated its custodian function to CIMB Islamic Bank Berhad (CIMB Islamic Bank). CIMB Islamic Bank's ultimate holding company is CIMB Group Holdings Berhad, a listed company on Bursa Malaysia. CIMB Islamic Bank provides full fledged custodial services, typically clearing settlement and safekeeping of all types of investment assets and classes, to a cross section of investors and intermediaries client base, both locally and overseas.</p> <p>For the local Ringgit <u>Malaysia</u> assets, they are held through its wholly owned nominee subsidiary CIMB Islamic Nominees (Tempatan) Sdn Bhd. For foreign non-Ringgit <u>Malaysia</u> assets, CIMB Islamic Bank appoints global custodian as its agent bank to clear, settle and safekeep on its behalf and to its order.</p> <p>All investments are automatically registered in the name of the custodian to the order of the Scheme Trustee. CIMB Islamic Bank acts only in accordance with instructions from the Scheme Trustee.</p> | | | | | | | | | | | | | | |
| 40. | <p>CHAPTER 11: SHARIAH ADVISER: KENANGA INVESTMENT BANK BERHAD (“KIBB”), Section 11.4 Profile of KIBB Shariah Committee</p> <p>Dr. Ghazali Jaapar -Profile of Dr. Ghazali Jaapar-</p> <p>Dr. Mohd Fuad Md. Sawari -Profile of Dr. Mohd Fuad Md. Sawari-</p> <p>Dr. Muhammad Arzim Naim -Profile of Dr. Muhammad Arzim Naim-</p> <p>Dr. Mohammad Firdaus Mohammad Hatta -Profile of Dr. Mohammad Firdaus Mohammad Hatta-</p> | <p>CHAPTER 11: SHARIAH ADVISER: KENANGA INVESTMENT BANK BERHAD (“KIBB”), Section 11.4 Profile of KIBB Shariah Committee</p> <p>Dr. Ghazali Jaapar -Profile of Dr. Ghazali Jaapar <u>has been updated.</u></p> <p>Dr. Mohammad Firdaus Mohammad Hatta -Profile of Dr. Mohammad Firdaus Mohammad Hatta <u>has been updated.</u></p> <p>Dr. Fadillah Mansor -Profile of Dr. Fadillah Mansor-</p> | | | | | | | | | | | | | | |
| 41. | <p>CHAPTER 12: SALIENT TERMS OF THE DEED, Section 12.5 Permitted Expenses Payable by the Funds</p> <p>Only the expenses (or parts thereof) which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) to the following:</p> <ul style="list-style-type: none"> • Commissions or fees paid to brokers or dealers in effecting dealings in the Shariah-compliant investments of the Fund, shown on the contract notes or confirmation notes; • taxes and other duties charged on the Fund by the government and/or other authorities; • costs, fees and expenses properly incurred by the auditor; | <p>CHAPTER 12: SALIENT TERMS OF THE DEED, Section 12.5 Permitted Expenses Payable by the Funds</p> <p>Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) to the following:</p> <ul style="list-style-type: none"> • <u>commissions</u> or fees paid to brokers or dealers in effecting dealings in the Shariah-compliant investments of the Fund, shown on the contract notes or confirmation notes; • taxes and other duties charged on the Fund by the government and/or other authorities; • <u>fees</u> and expenses properly incurred by the auditor; | | | | | | | | | | | | | | |

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| | <ul style="list-style-type: none"> costs, fees and expenses incurred for the valuation of any Shariah-compliant investment of the Fund by independent valuers for the benefit of the Fund; costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the PRS Provider and/or the Scheme Trustee; costs, fees and expenses incurred for any meeting of the Members save where such meeting is convened for the benefit of the PRS Provider and/or the Scheme Trustee; costs, commissions, fees and expenses of the sale, purchase, takaful and any other dealing of any asset of the Fund; costs, fees and expenses incurred in engaging any specialist approved by the Scheme Trustee for investigating or evaluating any proposed Shariah-compliant investment of the Fund; costs, fees and expenses incurred in engaging any valuer, adviser or contractor for the benefit of the Fund; costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund; costs, fees and expenses incurred in the winding-up of the Fund or the removal of the Scheme Trustee or the replacement of the PRS Provider and the appointment of a new trustee or private retirement scheme provider; costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Scheme Trustee or the PRS Provider by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund); remuneration and out of pocket expenses of the independent members of the investment committee of the Fund, unless the PRS Provider decides otherwise; costs, fees and expenses deemed by the PRS Provider to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority; (where the custodial function is delegated by the Scheme Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund; and costs, fees and charges payable to the PPA by the Fund. | <ul style="list-style-type: none"> <u>fees</u> incurred for the valuation of any investment of the <u>Funds</u>; costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the PRS Provider and/or the Scheme Trustee; costs, fees and expenses incurred for any meeting of the Members save where such meeting is convened for the benefit of the PRS Provider and/or the Scheme Trustee; costs, commissions, fees and expenses of the sale, purchase, takaful and any other dealing of any asset of the Fund; costs, fees and expenses incurred in engaging any specialist approved by the Scheme Trustee for investigating or evaluating any proposed Shariah-compliant investment of the Fund; costs, fees and expenses incurred in engaging any <u>adviser</u> for the benefit of the Funds; costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund; costs, fees and expenses in the winding-up of the Fund(s) or the removal <u>or retirement</u> of the Scheme Trustee or the replacement of the PRS Provider and the appointment of a new trustee or private retirement scheme provider; costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the <u>Fund</u> (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund); remuneration and out of pocket expenses of the <u>person(s) or members of the committee undertaking the oversight function of the Funds</u>, unless the PRS Provider decides otherwise; costs, fees and expenses deemed by the PRS Provider to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority; (where the custodial function is delegated by the Scheme Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund; and <u>and</u> costs, fees and charges payable to the PPA by the Fund. |
| 42. | <p>CHAPTER 12: SALIENT TERMS OF THE DEED, Section 12.9 Member's Meeting, third paragraph</p> <p>The quorum required for a meeting of the Members of the Scheme shall be five (5) Members of the Scheme, whether present in person or by proxy, provided always if the meeting has been convened for the purpose of voting on a special resolution, the quorum shall be five (5) Members of the Scheme, whether present in person or by proxy, holding in aggregate at least twenty-five per centum (25%) of the Units of the Scheme in circulation at the time of the meeting; similarly, the quorum required for a meeting of the Members of a Fund shall be five (5) Members of the Fund, whether present in person or by proxy, provided always if the meeting has been convened for the purpose of voting on a special resolution, the quorum shall be five (5) Members of the Fund, whether present in person or by proxy, holding in aggregate at least twenty-five per centum (25%) of the Units of the Fund in circulation at the time of the meeting.</p> | <p>CHAPTER 12: SALIENT TERMS OF THE DEED, Section 12.9 Member's Meeting, third paragraph</p> <p>The quorum required for a meeting of the Members of the Scheme <u>or a Fund, as the case may be</u>, shall be five (5) <u>Members</u>, whether present in person or by proxy; <u>however, if the Scheme or a Fund, as the case may be, has five (5) or less Members, the quorum required for a meeting of the Members of the Scheme or a Fund, as the case may be, shall be two (2) Members, whether present in person or by proxy.</u> If the meeting has been convened for the purpose of voting on a <u>Special Resolution, the Members present in person or by proxy must hold</u> in aggregate at least twenty-five per centum (25%) of the <u>Units in circulation of the Scheme or a Fund, as the case may be</u>, at the time of the meeting. <u>If the Scheme or a Fund has only one (1) remaining Member, such Member, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Members of the Scheme or a Fund, as the case may be.</u></p> |
| 43. | <p>CHAPTER 13: RELATED-PARTY TRANSACTIONS AND CONFLICT OF INTEREST, Section 13.3 Details of the PRS Provider's Directors' and Substantial Shareholders' Direct and Indirect Interest in Other Corporations Carrying on a Similar Business</p> <p>As at 30 September 2020, none of the PRS Provider's directors or substantial shareholders have any direct or indirect interest in other corporations carrying on a similar business as the PRS Provider.</p> | Deleted. |
| 44. | <p>CHAPTER 14: TAXATION ADVISER'S LETTER</p> <p>-taxation adviser's letter-</p> | <p>CHAPTER 14: TAXATION ADVISER'S LETTER</p> <p>-taxation adviser's letter <u>has been updated</u>-</p> |

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| 45. | <p>CHAPTER 16: DIRECTORY OF PRS PROVIDER'S REGIONAL OFFICES</p> <p>Petaling Jaya 44B, Jalan SS21/35, Damansara Utama, 47400 Petaling Jaya, Selangor Tel: 03-7710 8828 Fax: 03-7710 8830</p> | <p>CHAPTER 16: DIRECTORY OF PRS PROVIDER'S REGIONAL OFFICES</p> <p>Damansara Uptown 44B, Jalan SS21/35, Damansara Utama, 47400 Petaling Jaya, Selangor Tel: 03-7710 8828 Fax: 03-7710 8830</p> |
| 46. | <p>CHAPTER 16: DIRECTORY OF PRS PROVIDER'S REGIONAL OFFICES</p> <p>Ipoh Suite 1, 2nd Floor 63 Persiaran Greenhill 30450 Ipoh, Perak Tel: 05-254 7573 / 05-254 7570 Fax: 05-254 7606</p> | <p>CHAPTER 16: DIRECTORY OF PRS PROVIDER'S REGIONAL OFFICES</p> <p>Ipoh <u>No. 1, Jalan Leong Sin Nam</u> <u>30300 Ipoh, Perak</u> <u>Tel: 05-2547570 / 05-2547573</u> <u>Fax: 05-2547606</u></p> |
| 47. | <p>Nil.</p> | <p>CHAPTER 16: DIRECTORY OF PRS PROVIDER'S REGIONAL OFFICES</p> <p>Kota Damansara C26-1, Dataran Sunway, Jalan PJU 5/17, Kota Damansara, 47810 Petaling Jaya, Selangor Tel: 03-6150 3612 Fax: 03-6150 3906</p> <p>Kluang No. 1, Aras 1, Jalan Haji Manan, Pusat Perniagaan Komersial Haji Manan, 86000 Kluang, Johor Tel: 07-710 2700 Fax: 07-710 2150</p> |

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